

This Opinion is Not a
Precedent of the TTAB

Hearing: April 16, 2019

Mailed: April 26, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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*Ashland Licensing & Intellectual Property LLC
and Valvoline Licensing and IP LLC*

v.

Sunpoint International Group USA Corp.
—

Cancellation No. 92057294
—

Bruce Tittel of Wood Herron & Evans LLP
for Ashland Licensing & Intellectual Property LLC
and Valvoline Licensing and IP LLC.

Jeffrey M. Furr of the Furr Law Firm
for Sunpoint International Group USA Corp.

—
Before Zervas, Bergsman and Goodman,
Administrative Trademark Judges.

Opinion by Bergsman, Administrative Trademark Judge:

Sunpoint International Group USA Corp. (Respondent) is the owner of the registered MAXVOLINE trademarks set forth below for “lubricants for automobiles,” in International Class 4:

Cancellation No. 92057294

1. Registration No. 3450454 for the mark MAXVOLUME in standard characters;¹
and
2. Registration No. 3454800 for the mark MAXVOLUME and design shown
below:²



Ashland Licensing & Intellectual Property LLC and Valvoline Licensing and IP LLC (Petitioners) initially filed a petition to cancel Respondent's registrations on the grounds of likelihood of confusion, dilution, and abandonment. The operative pleading, however, is Petitioners' Third Amended Petition for Cancellation alleging

- (i) likelihood of confusion;
- (ii) dilution;
- (iii) nonuse at the time of filing the Statements of Use and at the expiration of the time for filing of the Statements of Use of the underlying applications for Respondent's registrations;
- (iv) abandonment by nonuse, and

¹ Registered June 17, 2008; renewed.

² Registered June 24, 2008; renewed. The registration does not include a description of the mark.

(v) that the assignments of Respondent's registrations were naked assignments because they failed to include goodwill.³

Because Petitioners did not argue dilution or abandonment by nonuse in their brief, those claims are waived.⁴ See *Alcatraz Media, Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1753 (TTAB 2013) (petitioner's pleaded descriptiveness and geographical descriptiveness claims not argued in brief deemed waived), *aff'd*, 565 F. App'x 900 (Fed. Cir. 2014) (mem.); see also *TPI Holdings, Inc. v. TrailerTrader.com LLC*, 126 USPQ2d 1409, 1413 n.28 (TTAB 2018); *Tao Licensing, LLC v. Bender Consulting Ltd.*, 125 USPQ2d 1043, 1046 (TTAB 2017).

With respect to the likelihood of confusion claim, Petitioners pleaded ownership of, inter alia, Registration No. 53237 for the mark VALVOLINE (in typed drawing form) for "lubricating oils," in International Class 4,⁵ and Registration No. 2621773 for the mark MAX LIFE (in typed drawing form) for "motor oils, lubricants and greases all for motor vehicles," in International Class 4.⁶ Because of Petitioners' purported "prior and continuous use" of VALVOLINE and MAX LIFE in connection with lubricants for automobiles, the public has associated those marks with Petitioners and, therefore, Respondent's MAXVOLINE marks for "lubricants for automobiles" is likely to cause confusion with Petitioners' VALVOLINE and MAX

³ 54 TTABVUE.

⁴ At the hearing, Petitioners' counsel confirmed that the claims at issue are likelihood of confusion, nonuse at the time of the filing of the statements of use, and abandonment based on invalid assignments.

⁵ Registered May 29, 1906; sixth renewal.

⁶ Registered September 17, 2002; renewed.

LIFE trademarks.⁷ To be clear, Petitioners are not alleging that Respondent's MAXVOLUME marks are likely to cause confusion with either of Petitioners' VALVOLUME or MAX LIFE trademarks; rather, Petitioners allege that "Respondent's trademarks MaXvoline [and design] and Maxvoline are confusingly similar to Petitioners' conjointly used trademarks Valvoline and Max Life, when the 'Max' in Max Life is combined with 'voline' from Valvoline to form MaXvoline."⁸

With respect to the nonuse at the time of registration, Petitioners allege that Respondent had not used its MAXVOLUME marks when it filed the Statements of Use and by the respective expiration dates for filing the Statements of Use and, therefore, "the Registrations should be cancelled for failure to use the marks in commerce on goods in trade."⁹

Finally, Petitioners allege that Respondent's MAXVOLUME registrations should be cancelled because "the Registrations at issue were transferred to Respondent were

⁷ Petitioners' Third Amended Petition for Cancellation ¶¶12-14 (54 TTABVUE 6).

⁸ Petitioners' Brief, p. 7 (98 TTABVUE 17).

⁹ Third Amended Petition for Cancellation ¶17 (54 TTABVUE 7). The critical date is the expiration of the time for filing the Statement of Use. During *ex parte* examination, the actual filing of a statement of use does not cut off the deadline for meeting the requirements for a statement of use. The applicant may amend its statement of use so long as the amendment demonstrates that the requirements for the statement of use were met before the expiration of the deadline for filing the statement of use. Trademark Rule 2.88(e), 37 C.F.R. § 2.88(e) ("If, as a result of the examination of the statement of use, the applicant is found not entitled to registration, the applicant will be notified and advised of the reasons and of any formal requirements or refusals. The statement of use may be amended in accordance with §§ 2.59 and 2.71 through 2.75."). Thus, an applicant may amend its statement of use to state dates of use which fall after the statement of use filing date, but before the expiration of the deadline for filing the statement of use. *See* Trademark Rule 2.71(c)(2), 37 C.F.R. § 2.71(c)(2) ("The applicant may amend the dates of use, provided that the amendment is verified, except ... after filing a statement of use under § 2.88, the applicant may not amend the statement of use to specify a date of use that is subsequent to the expiration of the deadline for filing the statement of use.").

‘naked assignments,’ otherwise known as ‘transfers in gross,’ because the purported assignments of the trademark rights failed to also include an assignment of the goodwill associated with those trademarks.”¹⁰ A claim for cancellation based on an invalid assignment is, in essence, an abandonment claim. *See Visa, U.S.A. v. Birmingham Trust Nat’l Bank*, 696 F.2d 1371, 216 USPQ 549 (Fed. Cir. 1982), *cert. denied*, 464 U.S. 826, 220 USPQ 385 (1983).

The rule against assignment of a mark in gross thus reflects “the need, if consumers are not to be misled from established associations with the mark, that it continue to be associated with the same or similar products after the assignment.”

Id. at 216 USPQ at 652 (citing *Raufast S.A. v. Kicker’s Pizzazz, Ltd.*, 208 USPQ 699, 702 (E.D.N.Y. 1980)); *see also Stock Pot Rest., Inc. v. Stockpot, Inc.*, 737 F.2d 1576, 222 USPQ 665, 667 (Fed. Cir. 1984) (“Entwined with the lease to Mrs. Phillips is appellant’s claim that appellee abandoned the mark at that time through that lease, i.e., that at best the assignment was of a ‘naked trademark’ or was a ‘naked license,’ both signifying abandonment of rights to the mark); *Roush Bakery Prods. Inc. v. F.R. Lepage Bakery Inc.*, 13 USPQ2d 1045, 1051 (TTAB 1989) (“We think it is clear from the foregoing that the issue of whether the invalid assignment in this case constituted an abandonment of the collective mark COUNTRY KITCHEN hinges upon the facts concerning such matters as the nature of the use of the mark by respondent and the other members of the collective prior to and after the 1985 assignment of the registration to respondent, and the extent to which (and by whom) control over the

¹⁰ Third Amended Petition for Cancellation ¶19 (54 TTABVUE 8).

use of the mark was actually exercised.”). Thus, whether the goodwill is actually conveyed is a question of fact determined by the circumstances surrounding the transfer of rights.

Respondent denied the salient allegations in the Third Amended Petition for Cancellation and asserted the affirmative defense of laches.

I. Preliminary Issues

A. Respondent’s motion to strike Petitioners’ Reply Brief.

Respondent moves to strike Petitioners’ Reply Brief on the grounds that it exceeds the permitted length because it is 27 pages, rather than 25 pages, and because Petitioners attached evidence to the Reply Brief not previously made of record.¹¹

Petitioners admit that they inadvertently exceeded the page limit because they failed to count the Table of Contents and Table of Authorities.¹² Nevertheless, Petitioners ask the Board to exercise its discretion and accept its Reply Brief because, inter alia, Petitioners responded to Respondent’s evidentiary objection lodged in Respondent’s brief on the case in Petitioners’ Reply Brief instead of utilizing an appendix or separate statement as provided by Trademark Rule 2.128(b), 37 C.F.R. § 2.128(b).

¹¹ 101 TTABVUE.

¹² 103 TTABVUE 5.

Also, Petitioners contend that they attached evidence to their Reply Brief because it was necessary “to provide the Board with a clear picture of the lengths Registrant has gone in order to misrepresent key facts so as to mislead the Board.”¹³

Without the exhibits it would just be a matter of Petitioners’ counsels’ unsupported statements versus the unsupported statements made by Registrant’s counsel. There is no way that Petitioners could have foreseen a reason to identify the exhibits as trial exhibits.¹⁴

Trademark Rule 2.128(b), 37 C.F.R. § 2.128(b), provides that “Without prior leave ... a reply brief shall not exceed twenty-five pages in its entirety” and that “[a]ny brief beyond the page limits and that any brief with attachments outside the stated requirements may not be considered by the Board.” The rule allows the Board to exercise its discretion in deciding whether to consider an over-length brief. Within that discretion is the ability to strike the brief on the ground that it exceeds the page limit, consider the brief in its entirety, or to consider the brief but not the attached appendices due to their content.

Petitioners’ Reply Brief, excluding the exhibits, exceeds the page limitation. Petitioners chose not to respond to the evidentiary issue in an appendix or separate statement as provided by the Rules, nor did Petitioners seek prior leave to exceed the page limit.

Moreover,

the facts and arguments presented in the brief must be based on the evidence offered at trial. A brief may not be used as a vehicle for the introduction of evidence. ...

¹³ Petitioners’ Response to Respondent’s Motion to Strike Petitioners’ Reply Brief, p. 2 (103 TTABVUE 6).

¹⁴ *Id.*

Exhibits to briefs are generally unnecessary and are discouraged.

TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PRACTICE AND PROCEDURE (TBMP) § 801.01 (2018). The Board issues a trial order setting the deadlines for each party to present its case. *See* Trademark Rule 2.121(b)(1), 37 C.F.R. § 2.121(b)(1).

A party may not take testimony or present evidence outside of its assigned testimony period, except by stipulation of the parties approved by the Board, or, on motion, by order of the Board.

TBMP § 701; *see also* *Baseball Am. Inc. v. Powerplay Sports*, 71 USPQ2d 1844, 1846 n.8 (TTAB 2004) (documentary evidence submitted outside assigned testimony period given no consideration); *M-Tek Inc. v. CVP Sys. Inc.*, 17 USPQ2d 1070, 1072 (TTAB 1990) (untimely deposition stricken). Petitioners impermissibly sought to introduce evidence outside their testimony period by attaching it to their brief.

Finally, we decide cases based on the testimony and evidence introduced into the record. *See In re Merrill Lynch, Fenner, and Smith*, 828 F.2d 1567, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987) (in determining whether a mark is generic, “[e]vidence of the public’s understanding of the term may be obtained from any competent source, such as purchaser testimony, consumer surveys, listings in dictionaries, trade journals, newspapers, and other publications.”); *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973) (“*du Pont*”) (the determination of likelihood of confusion is based on the probative facts in evidence). We do not consider unsupported statements of counsel. *See Gemtron Corp. v. Saint-Gobain Corp.*, 572 F.3d 1371, 91 USPQ2d 1409, 1415 (Fed. Cir. 2009) (reasoning that a party’s “unsworn attorney argument ... is not evidence” and thus cannot rebut record evidence); *Enzo*

Biochem, Inc. v. Gen-Probe, Inc., 424 F.3d 1276, 76 USPQ2d 1616, 1622 (Fed. Cir. 2005) (“Attorney argument is no substitute for evidence.”). Thus, it was not necessary for Petitioners to introduce evidence to challenge purportedly unsupported arguments or mischaracterizations of the record by Respondent’s counsel.

We find that Petitioners’ Reply Brief exceeds the page limit without prior leave of the Board and it includes evidence not properly introduced into the record during Petitioners’ assigned period for introducing evidence. Accordingly, Respondent’s motion to strike Petitioners’ Reply Brief is granted.

B. Discovery deposition of Vernon Venne

During their assigned time for introducing testimony and evidence,¹⁵ Petitioners introduced the discovery deposition of Vernon Venne, formerly an attorney for “Ashland” and formerly President of Ashland Licensing & Intellectual Property LLC.¹⁶ Petitioners designated Mr. Venne as their Fed. R. Civ. P. 30(b)(6) witness.¹⁷

Petitioners’ notice for filing the deposition stated

Petitioners hereby provides [sic] this notice that it has filed the “Vernon Venne Deposition and Registrant’s Ashland Deposition Exhibit 1” and that copies have been served as follows.¹⁸

¹⁵ 77 TTABVUE. Petitioners’ testimony period closed March 12, 2018.

¹⁶ 81 TTABVUE. The discovery deposition of Vernon Venne was taken on January 11, 2017 (81 TTABVUE 4).

¹⁷ Respondent’s Brief, p. 9 (99 TTABVUE 9) (Respondent misidentified Mr. Venne as a Rule 56(b) witness). The discovery deposition states that it is the deposition of Ashland Licensing & Intellectual Property LLC by Vernon F. Venne pursuant to a notice of deposition to Ashland Licensing & Intellectual Property LLC. 81 TTABVUE 4, 6, and 7.

¹⁸ 81 TTABVUE 2.

Petitioners did not identify Vernon Venne as a witness in their Pretrial Disclosures, Second Pretrial Disclosures, or Rebuttal Pretrial Disclosures.¹⁹ Other than to identify the Vernon Venne deposition as part of the record, Petitioners did not refer to the Venne deposition in their main brief.

During its assigned time for introducing testimony and evidence, Respondent introduced a Notice of Reliance identifying excerpts from the discovery deposition of Vernon Venne purportedly having relevance to Respondent's laches affirmative defense.²⁰

In its brief, Respondent objects to the admissibility of the entire Venne deposition on the ground that Petitioners failed to identify which parts of the Venne deposition should in fairness be considered so as to make not misleading what was introduced by Respondent.²¹ Trademark Rule 2.120(k)(4), 37 C.F.R. § 2.120(k)(4), provides

If only part of a discovery deposition is submitted and made part of the record by a party, an adverse party may introduce under a notice of reliance any other part of the deposition which should in fairness be considered so as to make not misleading what was offered by the submitting party. A notice of reliance filed by an adverse party must be supported by a written statement explaining why the adverse party needs to rely upon each additional part listed in the adverse party's notice, failing which the Board, in its discretion, may refuse to consider the additional parts.

Because Respondent objects to the Venne deposition only on the ground that Petitioners failed to identify which parts of the Venne deposition should in fairness

¹⁹ 72, 78, and 94 TTABVUE.

²⁰ 87 TTABVUE.

²¹ Respondent's Brief, p. 8 (99 TTABVUE 9).

be considered so as to make not misleading what has been introduced by Respondent, and not on the ground that Petitioners failed to identify Vernon Venne in pretrial disclosures pursuant to Trademark Rule 2.121(e), 37 C.F.R. § 2.121(e), Respondent knew that Petitioners were introducing the Venne discovery deposition to rebut Respondent's laches affirmative defense and not to prove any of Petitioners' grounds for cancellation.

Because Vernon Venne was designated as Petitioners' Rule 30(b)(6) witness, his deposition is admissible via a notice of reliance by Respondent, the adverse party. *See* Trademark Rule 2.120(k)(1), 37 C.F.R. § 2.120(k)(1) ("The discovery deposition of ... a person designated by a party pursuant to Rule 30(b)(6) or Rule 31(a) of the Federal Rules of Civil Procedure, may be offered in evidence by an adverse party."). Although the Venne deposition is not admissible by Petitioners, Respondent did not object to the deposition on that ground.

Section 707.04 of the TBMP provides that "[a] party may waive an objection by failing to raise the objection at the appropriate time."²² The TBMP further provides

For example, an objection to a notice of reliance on the ground that the notice does not comply with the procedural requirements of the particular rule under which it was submitted generally should be raised promptly. If a party fails to raise an objection of this nature promptly, the objection may be deemed waived, unless the ground for objection is one that could not have been cured even if raised promptly. *See* TBMP§ 707.02(b)(1) and TBMP § 707.02(b)(2).

²² *See also* TBMP § 707.02 (objections to a notice of reliance are waived unless promptly made (i.e., errors which may be cured if promptly presented) while other grounds that cannot be cured may be raised at any time).

Similarly, an objection to a testimony deposition on the ground that it does not comply with the applicable procedural rules generally is waived if not raised promptly, unless the ground for objection is one which could not have been cured even if raised promptly. *See* TBMP § 707.03(b)(1) and TBMP § 707.03(c).

Because Respondent knew that Petitioners introduced the Venne deposition to rebut Respondent's laches affirmative defense, Respondent should have lodged its objection to the introduction of the entire Venne deposition after Petitioners introduced it, and before the close of Petitioners' rebuttal testimony period, so that Petitioners could cure their failure to identify those portions of the deposition which should in fairness be considered so as to make not misleading what has been introduced by Respondent. *See Barclays Capital Inc. v. Tiger Lily Ventures Ltd.*, 124 USPQ2d 1160, 1163 (TTAB 2017) ("Objections to testimony or to a notice of reliance grounded in asserted procedural defects are waived unless raised promptly, when there is an opportunity to cure."); *Beech Aircraft Corp. v. Lightning Aircraft Co.*, 1 USPQ2d 1290, 1291 (TTAB 1986) (objection waived where respondent received notice of reliance without the publications that were referred to appended to the notice of reliance but respondent did not raise the issue until briefing); *Bd. of Trustees of the Univ. of Al. v. BAMA-Werke Curt Baumann*, 231 USPQ 408, 409 n.3 (TTAB 1986) (petitioner's objection that respondent's justification for reliance on its own discovery responses was insufficient because it was raised for first time in petitioner's brief and, therefore, it was untimely since the defect was one which could have been cured if raised promptly). Also, had Respondent timely raised its objection, Petitioners could have noticed and taken Vernon Venne's deposition during their

rebuttal testimony period. *See Of Counsel Inc. v. Strictly Of Counsel Chartered*, 21 USPQ2d 1555, 1556 n.2 (TTAB 1991) (where opposer's testimony deposition was taken two days prior to opening of opposer's testimony period, and applicant first raised an untimeliness objection in its brief on the case, objection held waived, since the premature taking of the deposition could have been corrected on reasonable objection). Accordingly, Respondent waived its objection because Respondent did not raise it in a timely manner.

Respondent's objection to the admissibility of the Vernon Venne deposition introduced by Petitioners is overruled and we will consider it in response to Respondent's affirmative defense of laches.

II. The Record

The record includes the pleadings and, by operation of Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), Respondent's registration files.²³ The parties introduced the following testimony and evidence:

A. Petitioners' testimony and evidence.

1. Discovery deposition of Gabriel R. Pappaterra, Respondent's principal;²⁴
2. Discovery deposition of Vernon Venne, former attorney for "Ashland" and former President of Ashland Licensing & Intellectual Property LLC;²⁵
3. Notice of reliance on the following:

²³ Accordingly, Respondent did not need to introduce copies of the registrations of the marks at issue in this proceeding, nor did Respondent need to introduce a copy of the summary of this proceeding. 88-90 TTABVUE.

²⁴ 79 TTABVUE.

²⁵ 81 TTABVUE. The portions of the Venne deposition designated confidential are posted at 80 TTABVUE.

- a. Copies of Petitioners' pleaded registrations prepared and issued by the USPTO showing both the current status of and title to the registrations;²⁶ and
- b. Copies of Petitioners' website (Valvoline.com) printed from the Wayback Machine website (web.archive.org);²⁷
4. Testimony declaration of Laura Carpenter, Vice President of Franchising for Valvoline Instant Oil Change;²⁸
5. Testimony declaration of Sarah M. Love, an intellectual property paralegal for Petitioners and Secretary of Valvoline Licensing and Intellectual Property, introducing Petitioners' pleaded registrations;²⁹
6. Testimony deposition of Gabriel Herrero, principal of Herrero & Sons Corporation, a wholesaler of automotive accessories, chemicals, and window film;³⁰
7. Testimony deposition (March 2, 2018) of Gabriel R. Pappaterra;³¹
8. Rebuttal notice of reliance on the following:

²⁶ 82 TTABVUE 12-61.

²⁷ 82 TTABVUE 63-73.

²⁸ 84 TTABVUE 4-61.

²⁹ 84 TTABVUE 62-249.

³⁰ 91 TTABVUE.

³¹ 93 TTABVUE. The portions of the Pappaterra deposition designated confidential are posted at 92 TTABVUE.

- a. Copy of the Virgin Islands Corporate Register for Sunpoint International Group, Inc. (virgin.bvifs.vg) as of May 22, 2018;³²
- b. Copy of the British Virgin Islands Business Companies Act, 2004 (with 2005 Amendments) (bvifsc.vg);³³
- c. A printout from the U.S. Energy Information Administration website purporting to present the Cushing, OK WTI Spot Price FOB (Dollars per Barrel) (eia.gov);³⁴ and
- d. A webpage from the Petroleum Quality Institute of America (pqiamerica.com) purporting to list the qualities of ten brands of motor oil, including Petitioners' MAX LIFE.³⁵

³² 95 TTABVUE 10-11. The cover emails transmitting the Virgin Islands Corporate Records are not admissible through a notice of reliance and, therefore have been given no consideration. (95 TTABVUE 5-9). Likewise, the Memorandum of Association and Articles of Association of Sunpoint International Group Inc. is not the type of document admissible through a notice of reliance and has been given no consideration. (95 TTABVUE 12-42).

³³ 95 TTABVUE 43-46.

³⁴ 95 TTABVUE 47-48. Pursuant to TBMP § 704.08(b), “[t]he probative value of Internet documents is limited. They can be used to demonstrate what the documents show on their face. However, documents obtained through the Internet may not be used to demonstrate the truth of what has been printed. A printout from a webpage may have more limitations on its probative value than traditional printed publications. A party may increase the weight the Board will give website evidence by submitting testimony and proof of the extent to which a particular website has been viewed. Otherwise, the document may not be considered to have much probative value.” *See also Safer, Inc. v. OMS Investments, Inc.*, 94 USPQ2d 1031, 1040 (TTAB 2010) (Internet documents introduced through a notice of reliance “are admissible only to show what has been printed, not the truth of what has been printed.”).

³⁵ 95 TTABVUE 49-52. Note the caveat as to the probative value of Internet evidence in the preceding footnote.

B. Respondent's testimony and evidence.

1. Testimony declaration of Ranses Matta, Marketing Adviser for American Airlines (National Account Manager);³⁶
2. Testimony declaration of Yuki Yunes, a friend and business associate of Gabriel Pappaterra;³⁷
3. Testimony declaration of Humberto Blanco, an employee of Twin Trading;³⁸
4. Testimony declaration of Rodolfo Montes, a friend and brother-in-law of Gabriel Pappaterra;³⁹
5. A webpage from inflationdata.org purporting to provide crude oil prices;⁴⁰
6. Excerpts from the discovery deposition of Vernon Venne, former attorney for "Ashland" and former President of Ashland Licensing & Intellectual Property LLC;⁴¹ and
7. Testimony deposition (May 11, 2018) of Gabriel Pappaterra.⁴²

³⁶ 85 TTABVUE 4-5.

³⁷ 85 TTABVUE 6-7.

³⁸ 85 TTABVUE 8-9.

³⁹ 85 TTABVUE 10.

⁴⁰ 86 TTABVUE. Note the caveat as to the probative value of Internet evidence in footnote 34.

⁴¹ 87 TTABVUE.

⁴² 97 TTABVUE. "When evidence has been made of record by one party in accordance with these rules, it may be referred to by any party for any purpose permitted by the Federal Rules of Evidence." Trademark Rule 2.122(a), 37 C.F.R. § 2.122(a). Because the Respondent introduced the Pappaterra testimony deposition, it was not necessary for Petitioners to file a notice of reliance on portions of that testimony deposition at 95 TTABVUE.

III. Standing

Standing is a threshold issue in every inter partes case. *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *John W. Carson Found. v. Toilets.com Inc.*, 94 USPQ2d 1942, 1945 (TTAB 2010). To establish standing in an opposition or cancellation proceeding, a plaintiff must prove that it has a “real interest” in the proceeding and a “reasonable” basis for its belief of damage. *See Empresa Cubana*, 111 USPQ2d at 1062; *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (TTAB 1982).

Petitioners have established their standing by properly introducing into evidence their pleaded registrations. *See, e.g., Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *N.Y. Yankees P’ship v. IET Prods. & Servs., Inc.*, 114 USPQ2d 1497, 1501 (TTAB 2015). Respondent, in its brief, does not challenge Petitioners’ standing.

Once a plaintiff shows standing on one ground, it has the right to assert any other grounds in a cancellation proceeding. *See Corporacion Habanos SA v. Rodriquez*, 99 USPQ2d 1873, 1877 (TTAB 2011) (because petitioners alleged standing as to at least one ground, primarily geographically deceptively misdescriptive, they may assert any other legally sufficient claims including those under Section 2(a), the Pan American Convention and fraud); *Enbridge, Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1543 n.10 (TTAB 2009), *citing Liberty Trouser Co. v. Liberty & Co., Ltd.*, 222 USPQ 357, 358 (TTAB 1983).

IV. Nonuse at the time of Filing of Statements of Use and the Expiration of time for Filing Statements of Use

Petitioners allege that Respondent had not used its MAXVOLINE marks when it filed the Statements of Use and at the expiration of time for filing the Statements of Use and, therefore, “the Registrations should be cancelled for failure to use the marks in commerce on goods in trade.”⁴³ See *Tao Licensing*, 125 USPQ2d at 1055 (respondent failed to make the requisite use of the mark in commerce prior to the statement of use deadline because respondent’s activities were preliminary advisory consultations rather than bona fide use of the mark in the ordinary course of trade); *Embarcadero Tech., Inc., v. Delphix Corp.*, 117 UPSQ2d 1518, 1526 (TTAB 2016) (where a claim of nonuse is alleged, the plaintiff must prove that there was no use in commerce prior to the filing of the deadline for filing the statement of use); cf. *Gay Toys, Inc. v. McDonald's Corp.*, 585 F.2d 1067, 199 USPQ 722, 723 (CCPA 1978) (because applicant did not use the mark in commerce in association with the goods at the time it filed the application, its application was void); *Community of Roquefort v. Santo*, 443 F.2d 1196, 170 USPQ 205, 208 n.7 (CCPA 1971) (nonuse of the mark at the time the application was filed is a ground for opposition). Nonuse at the time of registration “is a fact-based inquiry as to whether the activity in question is a bona fide use in the ordinary course of trade.” *Tao Licensing*, 125 USPQ2d at 1054.

The issue in this case is whether showing samples of MAXVOLINE motor oil as a private label motor oil to potential consumers constitutes transporting the goods in

⁴³ Third Amended Petition for Cancellation ¶17 (54 TTABVUE 7).

commerce. However, neither Petitioners, nor Respondent, introduced any testimony or evidence regarding private label sales in the motor oil industry. Thus, we are left to determine whether Respondent used its mark in commerce without any testimony or evidence regarding industry practice.

Use in commerce is defined as

... the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce.

Section 45 of the Trademark Act, 15 U.S.C. § 1127.

Respondent filed the Statements of Use to support the registration of its marks on April 23, 2008. The specimen supporting the use of the MAXVOLUME mark was a bottle of oil manufactured by Amalie Motor Oil with a MAXVOLUME label.⁴⁴ Respondent printed the label from his digital printer.⁴⁵ Respondent purchased oil products from Amalie Motor Oil and put his MAXVOLUME label on the bottle.⁴⁶

⁴⁴ Pappaterra Testimony Dep. (March 2, 2018), p. 14 (93 TTABVUE 17); *see also* Pappaterra Testimony Dep, (May 11, 2018), p. 63 (97 TTABVUE 65).

⁴⁵ *Id.*

⁴⁶ *Id.* at pp. 16-17 (93 TTABVUE 19-20).

It was a little unnecessary back then to have an inventory if I could show the product with a sample in such a way that I was going to sell it.⁴⁷

Although the label displayed an American Petroleum Institute (“API”) certification mark,⁴⁸ Respondent had not applied for API certification itself because it did not make sense to pay API for a license until Respondent was ready to mass produce its product.⁴⁹ In any event, Mr. Pappaterra testified that an API license is not necessary to sell motor oil so long as Respondent does not use the API certification mark on its MAXVOLUME products.⁵⁰ Because Respondent failed to get a license to use the API certification mark does not ipso facto mean that Respondent’s use of its MAXVOLUME mark is not in lawful commerce.

Prior to filing the Statements of Use, Gabriel Pappaterra “started working with the brand designing and looking for suppliers, looking for customers, creating websites and everything concerning creating a product.”⁵¹ In the 2007 to 2008 time frame, Pappaterra began investigating motor oil manufacturers.⁵² He visited Amalie Motor Oil Company in Tampa, a manufacturer of motor oil. “They do over a hundred-

⁴⁷ *Id.* at p. 17 (93 TTABVUE 20).

⁴⁸ Pappaterra Testimony Dep. (March 2, 2018), p. 16 (93 TTABVUE 19). Exhibit 23 to the Pappaterra Testimony Dep. (May 11, 2018) (97 TTABVUE 214) is an “Engine Oil Licensing and Certification System License Agreement” regarding a nonexclusive license from API for goods made in accordance with API standards and specifications.

⁴⁹ Pappaterra Testimony Dep. (March 2, 2018), p. 20 (93 TTABVUE 23); *see also* Pappaterra Testimony Dep. (May 11, 2018), p. 64 (97 TTABVUE 66).

⁵⁰ *Id.*

⁵¹ Pappaterra Testimony Dep. (March 2, 2018), p. 10 (93 TTABVUE 13).

⁵² Pappaterra Discovery Dep., p. 16 (79 TTABVUE 19).

and-some-odd private brands, and they also naturally have their own brand.”⁵³

Amalie “would offer me [Pappaterra] the standard bottle, the common one.”⁵⁴

However, Pappaterra had not decided on a final bottle design or supplier.⁵⁵

Q. Let me just repeat so I’m sure I understand.

A. Due to I was looking for prices, and then I started comparing before - - because well, I mean - - well, in 2007, 2008 I started collecting all of that information, but I don’t recall whether there was price instability, but it seems there was a great deal of price instability due to the conflict with the Middle East and the war. But I don’t recall whether it was around that time or the prices started - - it was speculation, but I don’t quite recall.⁵⁶

* * *

In 2008, it [oil] reached its maximum price. Then it was very difficult to start something with prices speculation and instability and more. That’s why I was focused on ever improving my container, my label.⁵⁷

* * *

Q. Let’s go back to your - - your statements about price instability. So you’ve got raw - - your raw material to make your motor oil which would use the Maxvoline mark, are fluctuating substantially during this period of time?

⁵³ Pappaterra Discovery Dep., p. 17 (79 TTABVUE 20).

⁵⁴ Pappaterra Discovery Dep., p. 17 (79 TTABVUE 20).

⁵⁵ Pappaterra Discovery Dep., p. 19 (79 TTABVUE 22).

⁵⁶ *Id.*

⁵⁷ *Id.* at p. 20 (79 TTABVUE 23).

A. Yes. I had access so that in case any customer placed an order, I could contact them, but price instability was constant.⁵⁸

* * *

I did have a source and I could select it easily if a customer would buy from me.

Q. And did you have any customers at this time period [2007-2008]?

A. Not that I recall.⁵⁹

* * *

Q. Okay. Just to confirm, prior to 2012, you didn't have any inventory of product?

A. Not really. What I did have was - - was bottles with the Maxvoline label to, if needed, show it to the people, but if they required the product, then I would go ahead and order it.⁶⁰

* * *

Q. At that point in time [2007-2008], you didn't have any inventory, but you had bottles and the bottles were labeled; is that correct?

A. Yes, but the amounts we're talking about are units, samples.

Q. Samples. Samples of empty bottles with labels?

A. Well, not necessarily because if, for example, I understood that there was a client who could buy certain product for me - - from me and if the manufacturer would offer me that same formulation, that same product and put my own

⁵⁸ *Id.* at pp. 22-23 (79 TTABVUE 25-26).

⁵⁹ *Id.* at p. 24 (79 TTABVUE 27); *see also* Pappaterra Testimony Dep. (March 2, 2018), pp. 12-13 (93 TTABVUE 15-16).

⁶⁰ *Id.* at 27 (79 TTABVUE 30). Respondent did not have any MAXVOLINE inventory prior to December 2012. *Id.* at 79 (79 TTABVUE 93).

private label on it, it could just change the label and put Maxvoline's on it as a sample.

- Q. Do you recall providing samples to anybody?
- A. No. I never - - never used it. I mean, I did not get to give them out to any client.⁶¹

Accordingly, although Respondent had not made any sales, prior to filing the Statements of Use, Gabriel Pappaterra had been showing samples of the MAXVOLINE product to potential customers.

- Q. You also stated on the questioning from Mr. Furr, that you've been actively marketing Maxvoline since 2007. Could you define what you mean by "actively marketing" for me, please?
- A. Within the range of those dates running from 2007 through 2012, I have visited clients, shown samples to them. I have contacted them. I have quoted also and I have also offered the product. ...
- Q. My note shows from our discussions yesterday, and correct me if I'm wrong, you said no samples were ever given; is that correct?
- A. What I was saying is that I have shown it.
- Q. But you never gave the samples of Maxvoline brand motor oil to any potential customer; is that correct?
- A. No.
- Q. And the samples that you showed to potential customers, were they empty bottles or full bottles?
- A. Like I told you yesterday, they were full and they were labeled with the Maxvoline products – well, with the mark of Maxvoline.⁶²

⁶¹ *Id.* at 30 (79 TTABVUE 32).

⁶² Pappaterra Discovery Dep., pp. 96-97 (79 TTABVUE 110-111); *see also* Pappaterra Testimony Dep. (March 2, 2018), p. 17 (93 TTABVUE 20) (prior to April 15, 2008, and the

Although Respondent did not give samples of the product to any of the potential customers, if a client was willing to buy it, Respondent had a manufacturer ready to supply it on a private label basis.⁶³

Q. In - - in 2008, you were actively pursuing clients, correct?

A. Correct.

Q. If the client would purchase something from you, you had a source to provide oil or lubricant for them?

A. Yes.

* * *

A. Since 2007 to the date, yes.

Q. And so you have producers who would provide you with the product and you were actively pursuing customers and distributors, correct?

A. Yes.⁶⁴

However, at the time Respondent filed its Statements of Use, Respondent did not have a contract with any oil company to supply MAXVOLUME motor oil. According to Mr. Pappaterra, it was not necessary to have such a contract because he “had everything ready to execute the purchase and sale - - to exercise sale without the necessity of having a massive inventory.”⁶⁵ Mr. Pappaterra had visited a factory in the summer of 2007 and discussed private labeling with that entity.

expiration of the deadline for filing the Statements of Use Pappaterra had shown samples to several potential customers but could only specifically name two of them).

⁶³ *Id.* at pp. 29-30 (79 TTABVUE 32-33).

⁶⁴ Pappaterra Testimony Dep. (May 11, 2018), pp. 88-89 (97 TTABVUE 90-91); *see also* Pappaterra Testimony Dep. (March 2, 2018), pp. 76-77 (93 TTABVUE 79-80).

⁶⁵ Pappaterra Testimony Dep. (March 2, 2018), p. 29 (93 TTABVUE 32).

They were very specific, they clarify me a lot of stuff. They give me - - if I don't - - if I remember correctly, they give me all the requirements that I need to make my private label, and they gave me all of the details and all of the conditions that I may need for - - to produce my own label.

I remember asking about the - - if they came out with different models, or if I can have a specific formulation and everything. And these kind of companies are very open to do whatever you need, but they require volume.

And so what I did is I got all that information and I started working with that. And in that same trip, if I remember correctly -- if I remember correct, I use a bottle of oil of their company, I put my label on, and I use it as a sample and I visited Mr. -- Mr. Herrero.⁶⁶

Gabriel Herrero corroborated Mr. Pappaterra's testimony, testifying that in the summer of 2007, Mr. Pappaterra visited Mr. Herrero in Miami to try and sell him MAXVOLINE motor oil.⁶⁷ Pappaterra showed Herrero a typical quart bottle of oil, containing oil, displaying the MAXVOLINE logo, and offered to sell Herrero the product.⁶⁸ Mr. Herrero also testified that it is not unusual for him to be made offers to distribute products by others because his company has "a big distribution in Latin America."⁶⁹ Finally, Mr. Herrero testified that Pappaterra also distributed other motor oil such as HAVOLINE from Texaco,⁷⁰ and that he viewed Pappaterra as a potential competitor.⁷¹ Mr. Herrero testified that he was not interested in purchasing the Maxvoline product and did not engage in any discussion with Pappatera

⁶⁶ Pappaterra Testimony Dep. (May 11, 2018), pp. 21-22 (97 TTABVUE 23-24).

⁶⁷ Herrero Testimony Dep., pp. 4 and 8-9 (91 TTABVUE 7 and 11-12).

⁶⁸ *Id.* at pp. 10-14 (91 TTABVUE 13-17).

⁶⁹ *Id.* at p.13 (91 TTABVUE 16).

⁷⁰ *Id.* at p. 15-16 (91 TTABVUE 18-19).

⁷¹ *Id.* at p. 25 (91 TTABVUE 28).

regarding sales of the product.⁷² (“If you approach someone with a sample and the person says, ‘I don't want it,’ there’s no further discussion.”).⁷³

Mr. Pappaterra also testified that, “at the end of 2007,” he showed a sample bottle of the MAXVOLINE labeled oil obtained from Amalie Motor Oil to Yuki Yunes, a friend and business associate. Pappaterra was “looking for the way to sell it to him so he could resell it over there [Dominican Republic].”⁷⁴ “I was trying to convince him in order for him to sell the product there.”⁷⁵ That meeting took place at Mr. Pappaterra’s office in the Dominican Republic.⁷⁶

However, Mr. Yunes did not totally corroborate Mr Pappaterra’s testimony, particularly with respect as to the purpose of Respondent’s offer to sell the MAXVOLINE motor oil.

GABRIEL PAPPATERRA showed me a bottle of Maxvoline that was full of oil at the end of December in 2007 in his office and tried to sell me MAXVOLINE products with sample in hand. We discussed all the details of the potential transaction. It is my understanding that GABRIEL PAPPATERRA, through himself and other entities has used the “MAXVOLINE” mark in commerce in the United States and has not ever intended to abandon the use of the mark.⁷⁷

⁷² *Id.* at pp. 11-13, 20 (91 TTABVUE 14-16, 23).

⁷³ *Id.* at p. 20 (91 TTABVUE 23).

⁷⁴ Pappaterra Testimony Dep. (March 2, 2018), pp. 48-52 (93 TTABVUE 51-55).

⁷⁵ *Id.* at p. 51 (93 TTABVUE 54).

⁷⁶ Pappaterra Testimony Dep. (March 2, 2018), p. 50 (93 TTABVUE 53).

⁷⁷ Yuki Yunes Decl. ¶4 (85 TTABVUE 7).

The record fails to disclose whether Mr. Yunes had any experience selling motor oil or any other product.⁷⁸ Also, the record fails to disclose whether either Amalie Motor Oil or Mr. Pappaterra transported a MAXVOLUME labeled bottle to the Dominican Republic from the United States or whether it was an Amalie Motor Oil labeled bottle that they shipped on which Mr. Pappaterra subsequently placed the MAXVOLUME label.

Other than Messrs. Herrero and Yunes, Mr. Pappaterra could not recall anyone else to whom showed his samples of MAXVOLUME.

It's a complex question and it's from a long time ago and since I was frequently traveling I don't recall exactly how many people I visited, but there were several visits.⁷⁹

In summary, prior to filing its Statements of Use, Respondent had not made any sales, nor had Respondent made any sales by the June 25, 2008 and July 8, 2008 expiration dates for filing Statements of Use.⁸⁰ However, Respondent had shown samples of its MAXVOLUME product to Gabriel Herrero in Miami, Florida, and Yuki Yunes in the Dominican Republic. The offer to sell MAXVOLUME to Yuki Yunes was not a bona fide offer to sell MAXVOLUME sufficient to support registration because Respondent failed to lay the foundation as to the experience of Mr. Yunes in connection with selling motor oil or any other product. Further, Respondent failed to

⁷⁸ Pappaterra Testimony Dep. (March 2, 2018), p., 56 (93 TTABVUE 59). Messrs. Pappaterra and Yunes were friends whose relationship consisted of "a summer program of activities cutting grass and spending time together." *Id.*

⁷⁹ Pappaterra Testimony Dep. (March 2, 2018), p. 46 (93 TTABVUE 49).

⁸⁰ Respondent's first sale was in 2012. Pappaterra Testimony Dep. (May 11, 2018), pp. 69 and 90 (97 TTABVUE 71 and 92).

include any testimony as to how Mr. Yunes would meet the volume requirement necessary to meet the minimum order quantity Mr. Pappaterra testified was necessary for a private label sale.

We find Mr. Pappaterra's showing of the sample to Mr. Herrero was more in the nature of a preliminary advisory consultation than bona fide use of MAXVOLUME in the ordinary course of trade. *See Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470 , 1 USPQ2d 1772, 1774 (Fed. Cir. 1987) (sending a box of samples to obtain the opinion of an independent distributor did not qualify as use in commerce, because the purpose of the shipment was "advisory consultation on the merits of a proposed trademark."). Although Mr. Herrero was a distributor to whom Respondent could conceivably sell the MAXVOLUME products, Mr. Herrero's testimony indicates that Mr. Pappaterra showed him the sample, simply telling him "I'm thinking of getting into this, my private label."⁸¹ To which, Mr. Herrero responded, "Good luck."⁸² Mr. Herrero had no interest in buying the product, and there was no discussion about possible sales because Mr. Herrero viewed Mr. Pappaterra as a potential competitor. ("He told me that he was going to be working that brand. Now, if he sold or not sold, I don't know because I never engaged in that. As I told you, I tried to not just talk as much as possible since, again, he's my customer and he's all of a sudden with his own brand.").⁸³ The Herrero testimony is consistent with the record that Mr. Pappaterra

⁸¹ Herrero Testimony Dep., p. 13 (91 TTABVUE 16).

⁸² *Id.*

⁸³ *Id.*, p. 12 (91 TTABVUE 15).

was not ready to use the mark in the ordinary course of trade in 2007 but was merely exploring such use at some point in the future.

The record shows that Respondent transported its MAXVOLINE samples only in Florida. Amalie Motor Oil Company, a potential supplier, is located in Tampa, Florida. There is no testimony that Respondent had Amalie Motor Oil ship its motor oil to Respondent in the Dominican Republic or that Respondent subsequently shipped MAXVOLINE labeled motor oil to the United States from the Dominican Republic.⁸⁴ See *Tao Licensing*, 125 USPQ2d at 1052 (quoting *Avakoff v. So. Pacific Co.*, 765 F.2d 1097, 226 USPQ 435, 436 (Fed. Cir. 1985)) (a shipment of goods from the manufacturer to the trademark owner did not satisfy the use or transportation in commerce requirement, as “it was a shipment of the goods in preparation for offering the goods for sale. It did not make the goods available to the purchasing public.”).

Even if Mr. Pappaterra’s visit to Gabriel Herrero is considered a bona fide sales call as opposed to an advisory consultation, Gabriel Herrero’s company is located in Miami, Florida. Amalie Motor Oil is located in Tampa, Florida. Tampa and Miami are both located in Florida. While Mr. Pappaterra testified that he had shown his sample to “several customers,”⁸⁵ Mr. Pappaterra could identify only Gabriel Herrero

⁸⁴ Obviously, Respondent’s sample bottle was shipped by Amalie Motor Oil to Mr. Pappaterra in the Dominican Republic or Mr. Pappaterra carried it with him from the United States into the Dominican Republic. As noted above, the record does not disclose whether the sample bottle was shipped or transported with an Amalie Motor Oil or MAXVOLINE label. Nevertheless, the only relevant activity in the Dominican Republic was the meeting between Mr. Pappaterra and Mr. Yunes which we found was not a bona fide offer to sell MAXVOLINE lubricants sufficient to support registration. This also raises the issue, which neither party addresses, as to whether one sample bottle shipped from the United States to the Dominican Republic is a bona fide commercial use in the lubricating oil market.

⁸⁵ Pappaterra Testimony Dep. (March 2, 2018), p. 17 (93 TTABVUE 20).

and Yuki Yunes (whom we discount for the reasons set forth above) as the people to whom Respondent tried to sell his MAXVOLINE product. The record shows that the MAXVOLINE product moved only in the state of Florida. At the time Respondent filed its Statements of Use, it had made no sales, it had no distributors,⁸⁶ and it had no inventory because it was keeping its fixed prices low.⁸⁷ As discussed more fully below in the analysis of the actual confusion factor in the likelihood of confusion claim and the analysis of Respondent's laches affirmative defense, Respondent has had minimal, if any, impact in the motor oil marketplace. There is no basis on which we can find that the intrastate movement of Respondent's MAXVOLINE product has had any effect on interstate commerce. *See Tao Licensing, LLC v. Bender Consulting Ltd.*, 125 USPQ2d at 1055 (citing *Christian Faith Fellowship Church v. Adidas AG*, 841 F.3d 986, 120 USPQ2d 1640, 1644-45 (Fed. Cir. 2016)). Respondent has failed to show that Respondent transported its MAXVOLINE products across state lines or in foreign commerce prior to filing its Statements of Use, or prior to the expiration of the time for Respondent to have filed its Statement of Use, to have any effect on interstate commerce.⁸⁸

⁸⁶ Pappaterra Testimony Dep. (May 11, 2018), p. 76 (97 TTABVUE 78).

⁸⁷ Pappaterra Testimony Dep. (March 2, 2018), p. 36 (93 TTABVUE 39).

⁸⁸ Each of Respondent's witnesses testified that Respondent has been actively using MAXVOLINE "in commerce including the United States." However, Respondent did not lay the foundation that any of the witnesses understood what "in commerce" means for purposes of trademark use. Accordingly, the third-party testimony fails to persuade us that Respondent transported its MAXVOLINE product across state lines or in foreign commerce that may be regulated by Congress prior to Respondent having filed its Statements of Use.

Petitioners' claim that Respondent failed to make use of its MAXVOLUME marks prior to filing its Statements of Use, or to the expiration of the time for Respondent to have filed its Statements of Use, is well taken and, therefore, the Petition for Cancellation is granted.

For purposes of completeness, we address Petitioners' remaining claims of likelihood of confusion and abandonment because of an invalid assignment and Respondent's affirmative defense of laches.

V. Priority

"A party claiming prior use of a registered mark may petition to cancel the registration on the basis of such prior use pursuant to section 14 of the Lanham Act. 15 U.S.C. Section 1064." *West Florida Seafood, Inc. v. Jet Rests., Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1662 (Fed. Cir. 1994). However, "a presumption of validity attaches to" Respondent's involved registrations, and Petitioner, the alleged prior user, bears the burden of proving its claim of priority by a preponderance of the evidence. *Id.*; *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307, 1309 (Fed. Cir. 1989); *Kohler Co. v. Baldwin Hardware Corp.*, 82 USPQ2d 1100, 1105-06 (TTAB 2007).

"To establish priority, the petitioner must show proprietary rights in the mark that produce a likelihood of confusion.... These proprietary rights may arise from a prior registration, prior trademark or service mark use, prior use as a trade name, prior use analogous to trademark or service mark use, or any other use sufficient to establish proprietary rights." *Herbko Int'l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002) [internal citations omitted]; *Otto Roth & Co.*

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v. Universal Foods Corp., 640 F.2d 1317, 1320, 209 USPQ 40, 43 (CCPA 1981). In the absence of evidence establishing earlier use of its mark, a party may rely for priority purposes on the filing date of the application that matured into its registration. *See, e.g. Brewski Beer Co. v. Brewski Bros. Inc.*, 47 USPQ2d 1281, 1283-84 (TTAB 1998); *Am. Standard Inc. v. AQM Corp.*, 208 USPQ 840, 842 (TTAB 1980).

As noted above, Petitioners' Registration No. 53237 for the mark VALVOLINE for "lubricating oils" registered May 29, 1906 (with a filing date of April 14, 1905), and its Registration No. 2621773 for the mark MAX LIFE for "motor oils, lubricants and greases all for motor vehicles" registered September 17, 2002 (with a filing date of August 9, 1999). Moreover, Laura Carpenter, Vice President of Franchising for Valvoline Instant Oil Change, testified that "[f]rom 2000 to 2013, Max Life motor oil sales in packaged products have always used the Max Life trademark right below the Valvoline trademark."⁸⁹

Respondent filed its application for Registration No. 3450454 for the mark MAXVOLINE in standard characters and its application for Registration No. 3454800 for the mark MAXVOLINE and design on March 14, 2007. Respondent claimed first use anywhere and first use in commerce for both marks on April 15, 2008. Respondent introduced no testimony or other evidence that it used its mark prior to that date. Respondent in its brief does not challenge Petitioners' priority.

⁸⁹ Carpenter Testimony Decl. ¶6 (84 TTABVUE 10).

We find that Petitioners have prior use of their VALVOLINE and MAX LIFE marks, as well as the prior use of those marks together for, inter alia, lubricating oils, “motor oils, lubricants and greases all for motor vehicles.”

VI. Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion. *du Pont*, 177 USPQ at 567, cited in *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 113 USPQ2d 2045, 2049 (2015); see also *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1203 (Fed. Cir. 2003). We have considered each *du Pont* factor that is relevant or for which there is evidence of record. See *M2 Software, Inc. v. M2 Commc’ns, Inc.*, 450 F.3d 1378, 78 USPQ2d 1944, 1947 (Fed. Cir. 2006); *ProMark Brands Inc. v. GFA Brands, Inc.*, 114 USPQ2d 1232, 1242 (TTAB 2015) (“While we have considered each factor for which we have evidence, we focus our analysis on those factors we find to be relevant.”). “[E]ach case must be decided on its own facts and the differences are often subtle ones.” *Indus. Nucleonics Corp. v. Hinde*, 475 F.2d 1197, 177 USPQ 386, 387 (CCPA 1973) (internal citations removed). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods or services. See *In re Chatam Int’l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1945-46 (Fed. Cir. 2004); *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) (“The fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks.”); see also *In re i.am.symbolic, LLC*, 866 F.3d 1315, 123 USPQ2d 1744, 1747

(Fed. Cir. 2017) (“The likelihood of confusion analysis considers all *DuPont* factors for which there is record evidence but ‘may focus ... on dispositive factors, such as similarity of the marks and relatedness of the goods’”) (quoting *Herbko Int’l, Inc. v. Kappa Books, Inc.*, 64 USPQ2d at 1380).

A. The similarity or dissimilarity and nature of the goods, established, likely-to-continue channels of trade, and purchasers to whom sales are made.

Petitioners’ VALVOLINE trademark is registered for “lubricating oils” and their MAX LIFE trademark is registered for “motor oils, lubricants and greases all for motor vehicles.” Respondent is seeking to register its MAXVOLINE marks for “lubricants for automobiles.” “Lubricant” is defined as “a substance, as oil or grease, for lessening friction, especially in the working parts of a mechanism” and “capable of lubricating; used to lubricate.”⁹⁰ “Lubricating” is defined as “to apply some oily or greasy substance to (a machine, parts of a mechanism, etc.) in order to diminish friction; oil or grease (something).”⁹¹ Since Petitioners’ VALVOLINE “lubricating oils” description of goods is not limited or restricted, it is broad enough to encompass lubricants for automobiles. Accordingly, the goods are identical.

Because the goods described in Respondent’s registrations and Petitioners’ registrations are identical, we presume that the channels of trade and classes of

⁹⁰ Dictionary.com based on the RANDOM HOUSE UNABRIDGED DICTIONARY (2019). The Board may take judicial notice of dictionary definitions, including online dictionaries that exist in printed format. *In re Cordua Rests. LP*, 110 USPQ2d 1227, 1229 n.4 (TTAB 2014), *aff’d*, 823 F.3d 594, 118 USPQ2d 1632 (Fed. Cir. 2016); *Threshold.TV Inc. v. Metronome Enters. Inc.*, 96 USPQ2d 1031, 1038 n.14 (TTAB 2010); *In re Red Bull GmbH*, 78 USPQ2d 1375, 1378 (TTAB 2006).

⁹¹ Dictionary.com based on the RANDOM HOUSE UNABRIDGED DICTIONARY (2019).

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purchasers are the same. *See In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (legally identical goods are presumed to travel in same channels of trade to same class of purchasers); *In re Yawata Iron & Steel Co.*, 403 F.2d 752, 159 USPQ 721, 723 (CCPA 1968) (where there are legally identical goods, the channels of trade and classes of purchasers are considered to be the same); *In re Inn at St. John's, LLC*, 126 USPQ2d 1742, 1745 (TTAB 2018) (“Because the services described in the application and the cited registration are identical, we presume that the channels of trade and classes of purchasers are the same.”); *United Glob. Media Grp., Inc. v. Tseng*, 112 USPQ2d 1039, 1049 (TTAB 2014); *Am. Lebanese Syrian Associated Charities Inc. v. Child Health Research Inst.*, 101 USPQ2d 1022, 1028 (TTAB 2011).

B. Conditions under which sales are made.

Sarah Carpenter, Vice President of Franchising for Valvoline Instant Oil Change, testified on behalf of Petitioners that VALVOLINE and MAX LIFE lubricants are sold in the “do it for me market” and the “do it yourself market.”⁹² Ms. Carpenter did not define those markets. Presumably, the “do it for me market” includes automobile service stations, “lube shops,”⁹³ including Petitioners’ Valvoline Instant Oil Change locations,⁹⁴ automobile dealership service centers, and the like where automobile owners pay others to have their automobile motor oil changed. The “do it yourself market” includes automobile owners who service their own automobiles, including

⁹² Carpenter Testimony Decl. ¶12 (84 TTABVUE 11).

⁹³ *Id.* at ¶12 (84 TTABVUE 11).

⁹⁴ *Id.* at ¶15 (84 TTABVUE 12).

changing their own oil. Consumers may purchase Petitioners' VALVOLINE and MAX LIFE lubricants at retail outlets such as AutoZone, Advance Auto Parts, O'Reilly's, Wal-Mart, Napa, etc.⁹⁵

Because Respondent is seeking to register its MAXVOLINE marks for "lubricants for automobiles," without any restrictions as to channels of trade or classes of consumers, Respondent's products also may be sold in the "do it for me" and "do it yourself" markets.

Petitioners counterintuitively argue that because MAX LIFE is designed for use in cars with higher mileage engines and is a new class of motor oil, purchasers are more cognizant of the trademarks on the containers and, thus, more likely to confuse MAX LIFE sold as a VALVOLINE product with MAXVOLINE.⁹⁶ It seems to us that if consumers are more cognizant of the trademarks, they will be less likely to confuse the source of the products, especially because, as discussed below, MAX LIFE is highly suggestive, it is not famous, and the testimony and evidence regarding the conjoint use of MAXVOLINE and MAX LIFE ended in 2013.

In any event, because Petitioners' MAX LIFE description of goods does not specify use in higher mileage engines, we cannot consider that restriction or limitation to the description of goods. Our determination regarding the similarity of the goods, channels of trade and classes of purchasers is based on the products as they are identified in the application and registrations, respectively. *Stone Lion Capital*

⁹⁵ *Id.* at ¶9 (84 TTABVUE 10).

⁹⁶ Petitioners' Brief, pp. 27-28 (98 TTABVUE 37-38).

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Partners, LP v. Lion Capital LLP, 746 F.3d 1317, 110 USPQ2d 1157, 1161 (Fed. Cir. 2014); *Octocom Sys. Inc. v. Houston Computers Servs., Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990); *see also Hewlett-Packard Co. v. Packard Press Inc.*, 281 F.3d 1261, 62 USPQ2d 1001 (Fed. Cir. 2002).

Also, we cannot resort to extrinsic evidence to restrict the nature or use of the lubricants sold by the parties. *See In re Bercut-Vandervoort & Co.*, 229 USPQ 763, 764 (TTAB 1986) (evidence that relevant goods are expensive wines sold to discriminating purchasers must be disregarded given the absence of any such restrictions in the application or registration). We must treat the lubricants as including general-use lubricants, as well as specialized lubricants, and, therefore, presume that purchasers for “lubricants” include ordinary consumers who may buy lubricants without exercising a high degree of consumer care. *See Stone Lion Capital Partners, LP v. Lion Capital LLP*, 110 USPQ2d at 1163-64 (recognizing Board precedent requiring consideration of the “least sophisticated consumer in the class”); *see also In re Sailerbrau Franz Sailer*, 23 USPQ2d 1719, 1720 (TTAB 1992) (finding that all purchasers of wine may not be discriminating because while some may have preferred brands, “there are just as likely to be purchasers who delight in trying new taste treats.”).

The conditions under which sales are made weighs in favor of finding a likelihood of confusion.

C. Actual confusion

Respondent contends that since at least as early as September 24, 2013, there have been no reported instances of actual confusion.⁹⁷ The absence of any reported instances of confusion is meaningful only if the record indicates appreciable and continuous use by Respondent of its mark for a significant period of time in the same markets as those served by Petitioners under their marks. *Citigroup Inc. v. Capital City Bank Grp., Inc.*, 94 USPQ2d 1645, 1660 (TTAB 2010), *aff'd*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011); *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992). In other words, for the absence of actual confusion to be probative, there must have been a reasonable opportunity for confusion to have occurred. *Barbara's Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1287 (TTAB 2007) (the probative value of the absence of actual confusion depends upon there being a significant opportunity for actual confusion to have occurred); *Red Carpet Corp. v. Johnstown Am. Enters. Inc.*, 7 USPQ2d 1404, 1406-1407 (TTAB 1988); *Central Soya Co., Inc. v. N. Am. Plant Breeders*, 212 USPQ 37, 48 (TTAB 1981) (“the absence of actual confusion over a reasonable period of time might well suggest that the likelihood of confusion is only a remote possibility with little probability of occurring”).

We analyze Respondent's impact in the market to determine the probative value of the lack of any reported instances of confusion. Since April 2008, Respondent has

⁹⁷ Respondent's Brief, p. 22 (99 TTABVUE 23).

posted a website offering the sale of MAXVOLUME lubricants (maxvolumeline.com).⁹⁸ However, Respondent did not introduce any testimony or evidence regarding the number of visitors to its website. Despite the fact that Respondent's MAXVOLUME product was offered for sale through AMAZON.com in 2015, Mr. Pappaterra could not recall the sales volume. At the time of Mr. Pappaterra's deposition [March 2, 2018], MAXVOLUME was not available through AMAZON.com.⁹⁹ In his second testimony deposition [May 11, 2018], Mr. Pappaterra was unable to provide any sales information.¹⁰⁰ Subsequently in his May 11, 2018 deposition, Mr. Pappaterra testified that between 2008 and 2015 he was actively pursuing customers, but he did not testify regarding the number of customers he visited nor the geographic extent of his company's sales.¹⁰¹ To be clear, Respondent did not introduce any other testimony or evidence regarding its sales or advertising.

Finally, Respondent introduced four testimony declarations from third-party witnesses familiar with Respondent's efforts to sell MAXVOLUME lubricants. The witnesses are listed below:

1. Ranses Matta, a Marketing Adviser for American Airlines;¹⁰²
2. Yuki Yunes, a friend and business associate of Respondent's principal;¹⁰³

⁹⁸ Pappaterra Testimony Dep., (March 2, 2018), pp. 31-33 and 73-74 and Exhibits 77 and 81 (93 TTABVUE 34-36, 76-77, and 167-176).

⁹⁹ Pappaterra Testimony Dep. (March 2, 2018), pp. 52-54 (93 TTABVUE 55-57).

¹⁰⁰ Pappaterra Testimony Dep. (May 11, 2018), p. 58 (97 TTABVUE 60).

¹⁰¹ *Id.* at pp. 88-89 99 (TTABVUE 90-91).

¹⁰² 85 TTABVUE 4.

¹⁰³ 85 TTABVUE 6.

3. Humberto Blanco, a person associated with Twin Trading Inc.;¹⁰⁴ and

4. Rodolfo Montes, a friend and brother-in-law of Respondent's principal.¹⁰⁵

In addition, Petitioners introduced the testimony deposition of Gabriel Herrero, principal of Herrero & Sons Corporation, a wholesaler of automotive accessories, chemicals, and window film, to whom Respondent made a sales pitch.¹⁰⁶ Gabriel Herrero is the only third party in the lubricant industry. The other third parties are, in essence, four people who are familiar with Respondent's principal. The third-party testimony is not probative of the effectiveness of Respondent's marketing efforts because it is conclusionary and without details to support the conclusions.

Respondent's evidentiary showing is insufficient to prove that there has been a reasonable opportunity for confusion to have occurred. Thus, this *du Pont* factor is neutral.

D. The strength of Petitioners' marks, including the number and nature of similar marks in use on similar products.

Petitioners argue that "[t]he undisputed record in this proceeding establishes the strength of the Valvoline and MAX LIFE trademarks and their entitlement to broad protection."¹⁰⁷ In fact, Petitioners contend that their marks are famous.¹⁰⁸ Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection or exclusivity of use. A famous mark has

¹⁰⁴ 85 TTABVUE 8.

¹⁰⁵ 85 TTABVUE 10.

¹⁰⁶ 91 TTABVUE.

¹⁰⁷ Petitioners' Brief, p. 28 (98 TTABVUE 38).

¹⁰⁸ *Id.* at pp. 28-34 (98 TTABVUE 38-44).

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extensive public recognition and renown. *Bose Corp. v. QSC Audio Prods. Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

Fame may be measured indirectly by the volume of sales of and advertising expenditures for the goods and services identified by the marks at issue, “the length of time those indicia of commercial awareness have been evident,” widespread critical assessments and through notice by independent sources of the products identified by the marks, as well as the general reputation of the products and services. *Bose Corp. v. QSC Audio Prods. Inc.*, 63 USPQ2d at 1305-06 and 1309. Raw numbers alone may be misleading, however. Thus, some context in which to place raw statistics may be necessary, for example, market share or sales or advertising figures for comparable types of goods. *Id.* at 1309.

Petitioners rely on the following evidence to prove the fame and commercial strength of their marks:

1. Valvoline motor oil was developed in 1866;¹⁰⁹
2. Valvoline motor oil was used by the winning race car in the first automobile race in North America;¹¹⁰

¹⁰⁹ Carpenter Testimony Decl. ¶2(C) (84 TTABVUE 6).

¹¹⁰ *Id.*

3. In 1920, the Ford Model T included a dash plaque that read “This Car Is Filled With Valvoline Motor Oil. We Recommend Its Use. No Other Oil Should Be Used In This Car.”;¹¹¹
4. In 1985, Petitioners entered the “do it for me” lubrication service called Valvoline Instant Oil Change;¹¹²
5. In 2000, Petitioners developed MAX LIFE motor oil to help cars with more than 75,000 miles restore lost horsepower;¹¹³
6. In 2007, Petitioners opened the 500th Valvoline Instant Oil Change location;¹¹⁴
7. Many notable racecar drivers and teams used VALVOLINE motor oil (e.g., A.J. Foyt, Cale Yarborough, Mario Andretti, and Hendrick Motor Sports);¹¹⁵
8. Between the years 2000-2016, U.S. sales in dollars of VALVOLINE products ranged from \$700 million to \$1.33 billion;¹¹⁶
9. In 2017, VALVOLINE brand U.S. sales generated \$1.54 billion;¹¹⁷

¹¹¹ *Id.* (84 TTABVUE 7).

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.* (84 TTABVUE 7-8).

¹¹⁶ *Id.* at ¶¶3-4 (84 TTABVUE 8-9). Ms. Carpenter provided a worldwide sales figure but testified that “domestic sales would have been in excess of 65% of the identified sales. *Id.* at ¶4. The figures we use in the main body are 65% of the worldwide sales figures.

¹¹⁷ *Id.* at ¶5 (84 TTABVUE 9).

10. Between the years 2000-2016, U.S. sales of VALVOLINE products ranged from 103 million gallons to 126 million gallons;¹¹⁸
11. In 2013, there were over 900 Valvoline Instant Oil Change locations;¹¹⁹
12. In 1999, Petitioners launched a second oil change service center, Valvoline Express Care. Valvoline Express Care grew from 25 locations in 2000 to approximately 330 in 2015;¹²⁰
13. From 2008 to 2017, MAX LIFE oil sold in Valvoline Instant Oil Change locations increased from over 2,000,000 gallons to over 7,000,000 gallons;¹²¹
14. MAX LIFE automatic transmission fluid sold in the “do it yourself” market increased from over 800,000 gallons in 2008 to over 1,700,000 gallons in 2016;¹²²
15. Total U.S. sales of MAX LIFE automatic transmission fluid increased from over 1.2 million gallons in 2003 to over 2.8 million gallons in 2006;¹²³
16. MAX LIFE was recognized in Lubricant World magazine’s 2001 issue as the 2001 Product of the Year;¹²⁴

¹¹⁸ *Id.* at ¶¶3-4 (84 TTABVUE 8-9).

¹¹⁹ *Id.* at ¶12 (84 TTABVUE 11).

¹²⁰ *Id.* at ¶15 (84 TTABVUE 12).

¹²¹ *Id.*

¹²² *Id.* at ¶13 (84 TTABVUE 12).

¹²³ *Id.*

¹²⁴ *Id.* at ¶16 (84 TTABVUE 12).

17. From 2005 through 2013, Petitioners' advertising expenditures for VALVOLINE and MAX LIFE lubricants have been substantial;¹²⁵

18. Since 2004, there have been at least 1,000,000 calls to Petitioners' call-in number for customers and prospective customers to obtain information about VALVOLINE and MAX LIFE products.¹²⁶

We find that the VALVOLINE mark is famous. Respondent does not contend to the contrary.¹²⁷ Total sales of VALVOLINE products are in the hundreds of millions to billions of dollars and hundreds of millions of gallons. Petitioners have spent tens of millions of dollars advertising VALVOLINE products through 2013. Petitioners' promotional efforts have been rewarded with a high degree of brand awareness of this mark. Although the record falls short of establishing fame of the MAX LIFE mark, the evidence shows that the mark has achieved commercial success.

Respondent counters by arguing that Petitioners' mark MAX LIFE is highly descriptive, if not generic, and has no probative value in assessing likelihood of confusion.¹²⁸ Petitioners are the owners of four registrations for MAX LIFE:

1. Registration No. 2513312 for the mark MAXLIFE (typed drawing form) for "motor oils, lubricants and greases, all for automobiles";¹²⁹

¹²⁵ *Id.* at ¶17 (83 TTABVUE 13). Because Petitioners designated their advertising expenditures as confidential, we refer to them in general terms. Also, Ms. Carpenter testified as to Petitioners' advertising through 2013.

¹²⁶ *Id.* at ¶19 (84 TTABVUE 13).

¹²⁷ Respondent's Brief, p. 21 (99 TTABVUE 22) ("b. Fame of Marks. Petitioner's [sic] MAX LIFE mark is not famous and generic [sic] which cannot be considered famous.").

¹²⁸ Respondent's Brief, pp. 14-16 (99 TTABVUE 15-17).

¹²⁹ 82 TTABVUE 42-47; 84 TTABVUE 127-137.

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2. Registration No. 2518757 for the mark MAX LIFE (typed drawing form) for “automatic transmission fluid”;¹³⁰
3. Registration No. 2518758 for the mark MAXLIFE (typed drawing form) for automatic transmission fluid”;¹³¹ and
4. Registration No. 2621773 for the mark MAX LIFE (typed drawing form) for “motor oils, lubricants and greases, all for automobiles.”¹³²

All four marks are registered on the Principal Register, without a claim of acquired distinctiveness, and without a disclaimer of any portion of the mark. Sections 8 and 15 declarations of use and incontestability have been accepted and acknowledged and each registration has been renewed. Because MAX LIFE has been registered, it is entitled to a presumption of validity by Section 7(b) of the Trademark Act, 15 U.S.C. § 1057(b), and “moreover, in the absence of a Section 2(f) claim in the registration, that the mark is inherently distinctive for the goods.” *Tea Bd. of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1899 (TTAB 2006).

Because there is no counterclaim to cancel any of the MAX LIFE registrations, we may not consider Respondent’s contention that MAX LIFE is generic or merely descriptive. Such arguments constitute an attack on the validity of the registrations.

(3)(i) A defense attacking the validity of any one or more of the registrations pleaded in the petition shall be a compulsory counterclaim if grounds for such counterclaim exist at the time when the answer is filed. If grounds for a counterclaim are known to respondent when the answer to

¹³⁰ 82 TTABVUE 49-54; 84 TTABVUE 139-149.

¹³¹ 82 TTABVUE 56-61; 84 TTABVUE 151-160.

¹³² 82 TTABVUE 35-40; 84 TTABVUE 114-125.

the petition is filed, the counterclaim shall be pleaded with or as part of the answer. ...

(ii) An attack on the validity of a registration pleaded by a petitioner for cancellation will not be heard unless a counterclaim or separate petition is filed to seek the cancellation of such registration.

Trademark Rule 2.114(b)(3)(i) and (ii), 37 C.F.R. § 2.114(b)(3)(i) and (ii).

Nevertheless, we acknowledge that Petitioners MAX LIFE marks suggest that the products are long lasting or preserve the life of the products in which they are used.

Finally, with respect to the number and nature of similar marks in use on similar products, we note that Respondent sold HAVOLINE motor oil.¹³³ While the Federal Circuit has held that “*extensive* evidence of third-party use and registrations is ‘powerful on its face,’ even where the specific extent and impact of the usage has not been established,” *see Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 USPQ2d 1129, 1136 (Fed. Cir. 2015) (emphasis added) (citing *Juice Generation, Inc. v. GS Enters. LLC*, 794 F.3d 1334, 115 USPQ2d 1671, 1674 (Fed. Cir. 2015)), the record of third-party use in this case is far less than the amount of evidence found convincing in *Jack Wolfskin* and *Juice Generation* wherein “a considerable number of third parties’ use [of] similar marks was shown.” *Id.*

Considering the record as a whole, we find that Petitioners’ VALVOLINE marks are appropriately placed on the “strong” side of the “spectrum from very strong to very weak,” while Petitioners’ MAX LIFE marks are appropriately placed in the

¹³³ Gabriel Pappaterra Testimony Dep., pp. 6-7 (93 TTABVUE 9-10); Gabriel Herrero Testimony Dep., pp. 15-16 (91 TTABVUE 18-19).

middle of the spectrum. *Joseph Phelps Vineyards, LLC v. Fairmont Holdings, LLC*, 857 F.3d 1323, 122 USPQ2d 1733, 1734 (Fed. Cir. 2017) (quoting *In re Coors Brewing Co.*, 343 F.3d 1340, 68 USPQ2d 1059, 1063 (Fed. Cir. 2003)); *Tao Licensing, LLC v. Bender Consulting Ltd.*, 125 USPQ2d at 1059 (“The commercial strength of Petitioner’s TAO mark outweighs any conceptual weakness.”).

E. The similarity or dissimilarity of the marks in their entireties in terms of appearance, sound, connotation, and commercial impression.

As noted above, Petitioners allege that “Respondent’s trademarks MaXvoline [and design] and Maxvoline are confusingly similar to Petitioners’ conjointly used trademarks Valvoline and Max Life, when the ‘Max’ in Max Life is combined with ‘voline’ from Valvoline to form MaXvoline.”¹³⁴ Petitioners are required to prove that the use of their pleaded marks together has been effective to qualify for a conjoint use analysis. See *Bell’s Brewery, Inc. v. Innovation Brewing*, 125 USPQ2d 1340, 1349 (TTAB 2017). The prerequisites for this showing are set forth in *Schering-Plough HealthCare Prods., Inc. v. Ing-Jing Huang*, 84 USPQ2d 1323, 1326 (TTAB 2007).

In order that opposer’s marks may be considered together, two elements must be satisfied before traditional likelihood of confusion analysis can proceed. First, it must be established that the marks have been and are being used together on a single product or in marketing. See *H.D. Hudson Manufacturing Co. v. Food Machinery and Chemical Corp.*, 230 F.2d 445, 109 USPQ 48 (CCPA 1956); and *Simoniz Company v. Hysan Products Company*, 142 USPQ 377 (TTAB 1964). Further, it must be established that opposer’s marks are used in such a fashion that it would be proper to combine them for purposes of comparison, that is, that they have been used and/or advertised conjointly in such a manner and to such an

¹³⁴ Petitioners’ Brief, p. 7 (98 TTABVUE 17); see also Third Amended Petition for Cancellation ¶¶12-13 (54 TTABVUE 6).

extent in connection with a single product that they have come to be associated together, in the mind of the purchasing public, as indications of origin for opposer's product. (citations omitted).

See also Bell's Brewery, 125 USPQ2d at 1349.

Laura Carpenter testified about Petitioners' conjoint use of the VALVOLINE and MAX LIFE trademarks.

6) From 2000 to 2013, Max Life motor oil sales in packaged products have always used the Max Life trademark right below the Valvoline trademark. See examples attached as VAL Ex-41.

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7) Max Life brand oil produced domestically in packaged product exceeded:

- (1) 200,000 gallons per month in 2001;
- (2) 400,000 gallons per month in 2002; and
- (3) 500,000 gallons per month in 2003.

Almost all container sales have displayed “Max” above “Life” and above and alongside [and] below the trademark Valvoline. See VAL Ex.-37.

¹³⁵ VAL-Ex 41 (84 TTABVUE 25).



* * *

14) All packaged products of Max Life ATF [automatic transmission fluid] have also included a prominent display of the Valvoline trademark. As with motor oil usage, the Max Life trademark when applied to ATF packaged products has been always conjointly used with the Valvoline trademark. A photo of a Max Life ATF container is attached as VAL-47.



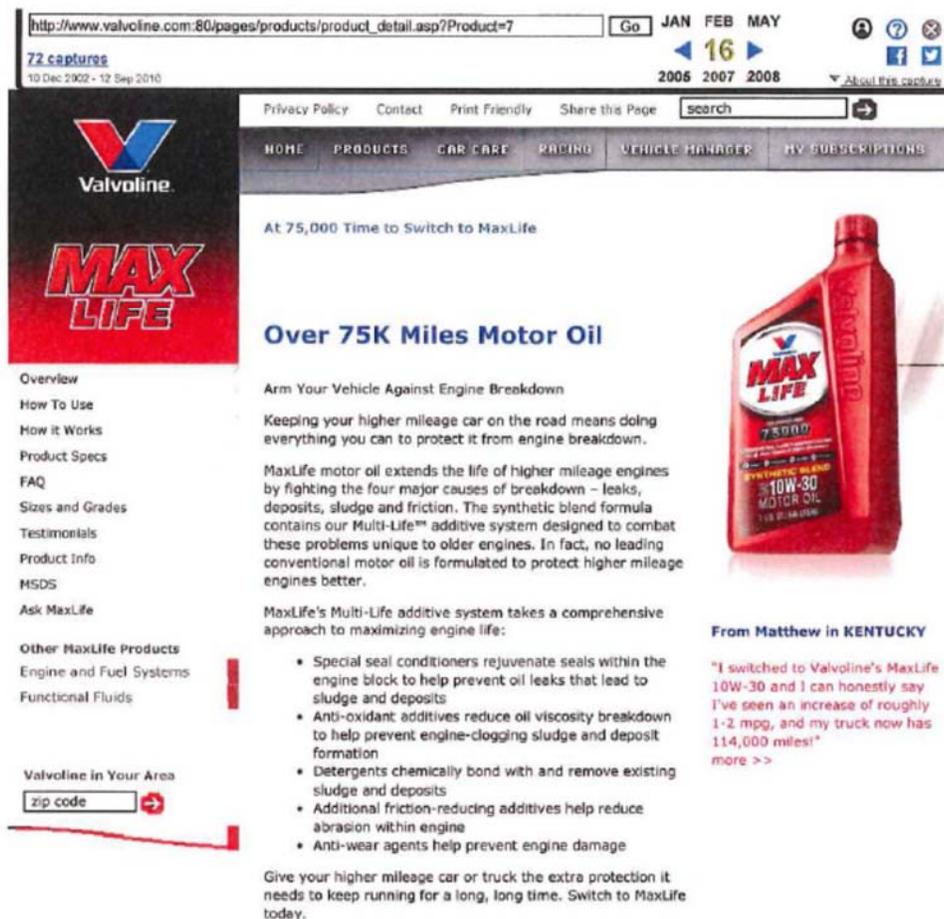
136 VAL-Ex 37 (84 TTABVUE 17).

137 VAL-Ex 47 (84 TTABVUE 45).

* * *

17) ... Max Life brand motor oil is currently and has been prominently displayed on the website Valvoline.com since before 2001. VAL-49 shows an advertisement on the site for MaxLife motor oil as captured by the waybackmachine.org on 2/16/2007 and for the sale of MaxLife ATF captured by the waybackmachine.org on 2/16/2007. The illustrations for the oil and ATF packaged products accurately show how the packaged products appeared in retail stores. Each container shows the prominent display of the Valvoline and Max Life trademarks used together.¹³⁸

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¹³⁸ 84 TTABVUE 10-13. Through a notice of reliance, Petitioners introduced webpages from Valvoline.com dated August, 14, 2002, April 23, 2003, June 19, 2004, October 16, 2005, and February 16, 2007 from web.archive.org (Wayback Machine). 82 TTABVUE 63-72.

¹³⁹ VAL Ex. 49 (84 TTABVUE 47).

In addition, Ms. Carpenter introduced screen shots for television advertisements aired between 2000 and 2007 where VALVOLINE and MAXLIFE were conjointly used.¹⁴⁰

Petitioners have satisfied the first element of the test by introducing evidence that the VALVOLINE and MAX LIFE trademarks have been and are being used together on lubricants. However, Petitioners have not met the second part of the test by establishing that VALVOLINE and MAX LIFE “have been used and/or advertised conjointly in such a manner and to such an extent in connection with a single product that they have come to be associated together, in the mind of the purchasing public, as indications of origin for opposer’s product.” *Schering-Plough*, 84 USPQ2d at 1326.

First, even though Ms. Carpenter signed her declaration on March 9, 2018, she testified that between “2000 to 2013, Max Life motor oil sales in packaged products have always use the Max Life trademark right below the Valvoline trademark,” but was essentially silent about events from 2013 through 2018.¹⁴¹ In this regard, we note that Petitioners introduced copies of their websites through 2007 and television advertisements that aired through 2004. Petitioners did not introduce any testimony

¹⁴⁰ Carpenter Testimony Decl. ¶20 and Exhibits 50-51 and 54 (84 TTABVUE 13-14 and 50-54 and 58). Ms. Carpenter testified that the advertisements were “used on television for various years from 2000 to 2007,” but she only introduced exhibits used in the years 2000-2004.

¹⁴¹ Ms. Carpenter testified that “[g]allons of Max Life sold increased from over 2,000,000 sold in 2008 to over 7,000,000 sold in 2017 in the Valvoline Instant Oil Change business alone” and that the volume of MAX LIFE automatic transmission fluid for the “do it yourself” market has increased to over 1,700,000 gallons in 2016. Carpenter Testimony Decl. ¶¶12 and 13 (84 TTABVUE 8-9). However, there is no testimony or evidence regarding how MAX LIFE is packaged and labeled for sale in the “do it for me” market or what people and how many people see the products. Likewise, there is no testimony or evidence regarding the number of “do it yourselfers” who change their own automatic transmission fluid.

or evidence about packaging and advertising after 2013. Also, Petitioners did not provide any testimony or evidence as to how many times their television advertisements appeared or an estimate as to how many viewers saw the advertisements.

Even for the evidence displaying both marks, there is no reason to assume that purchasers would see them as anything other than two distinct marks: (i) a house mark (VALVOLINE); and (ii) a product mark (MAX LIFE). For example, the cover of Lubricants World magazine announcing MAX LIFE as the 2001 Product of the Year reads “Valvoline’s MaxLife hits its mark with higher mileage vehicles,” as opposed to VALVOLINE MAX LIFE.¹⁴² The use of the possessive emphasizes the house mark versus the product mark whereas VALVOLINE MAX LIFE would have been perceived as a conjoint use of the two marks. Although the article about Petitioners’ award for best product of 2001 refers to both VALVOLINE and MAX LIFE individually, it does not refer to them conjointly. Thus, at least as early as 2001, the editors of Lubricants World magazine did not perceive the two marks as being associated together as one mark and consumers would not have been exposed to conjoint use through this article.

While Petitioners have displayed VALVOLINE and MAX LIFE on the same products and in some of their advertising, “it does not necessarily follow therefrom that purchasers would automatically react by combining parts of such marks in comparing [Respondent’s] mark to them.” *Simoniz Co. v. Hysan Prods. Co.*, 142 USPQ

¹⁴² 84 TTABVUE 19.

at 378. What is missing is testimony or evidence regarding consumer propensity to dissect Petitioners' two marks and come up with a third. *See Am. Cyanamid Co. v. J. Josephson, Inc.*, 192 USPQ 765, 768 (TTAB 1976) (to prove the effectiveness of plaintiff's conjoint, "it is believed necessary for the proponent thereof to submit evidence of consumer reaction to applicant's mark or of consumer propensity to dissect two well-known marks and come up with a third mark."). In other words, Petitioners needed to introduce testimony or evidence as to whether consumers associate, or how they perceive, Petitioners' use of VALVOLINE and MAX LIFE together. *See Mallinckrodt, Inc. v. CIBA-GEIGY Corp.*, 195 USPQ 665, 667 (TTAB 1977) (to consider opposer's marks KOBAN, TOBAZ and PO-SAN marks together, they must have been used or advertised together in such a manner that "they have all come to be associated together.").

On the basis of the present record, there is no reason to find that purchasers, whether "do it for me" or "do it yourself," would combine syllables or words from Petitioners' two marks when ordering lubricants for automobiles. The facts in this case may be contrasted with the facts in *Sperry Rand Corp. v. Remvac Sys. Corp.*, 172 USPQ 415, 416 (TTAB 1971), where the Board found that

opposer in promoting its corporate image through advertisements in such media as television, nationally distributed trade and consumer publications, and outdoor advertising and the like, **has consistently displayed conjointly its marks and trade names** "REMINGTON", "REMINGTON RAND" and "UNIVAC", and that the cost of such advertising for the period October, 1967 to January 25, 1971 alone exceeded \$4,500,000. (Emphasis added).

In this case, Petitioners' testimony and evidence regarding its conjoint use of VALVOLINE and MAX LIFE stops in 2013, whereas the testimony and evidence regarding conjoint use in *Sperry Rand* went through the time of trial. *See also Schering-Plough HealthCare Prods., Inc. v. Ing-Jing Huang*, 84 USPQ2d 1323, 1327 (TTAB 2007) (finding that the record contains evidence similar to that in *Sperry Rand Corp.* "to establish that the marks have come to be known together as indications of origin for opposer's goods.").

Assuming *arguendo* that Petitioners met their evidentiary burden that the use of their pleaded marks together has been effective to qualify for a conjoint use analysis, Petitioners failed to show that either their "do it for me" or "do it yourself" consumers would be likely to delve into the derivation of Respondent's marks much less remember Petitioners' two marks and go through the mental gymnastics necessary to equate Respondent's marks with Petitioners' marks. In other words, Petitioners failed to introduce any testimony or evidence regarding consumer reaction to Respondent's marks. *See Am. Cyanamid Co.*, 192 USPQ at 768.

The fallibility of the memory of trademarks by consumers and their predisposition to transpose marks have been recognized by this and other tribunals in resolving the question of likelihood of confusion where the situation involves one mark vis-a-vis another mark. (Internal citations omitted). But, here there are three marks involved and, to arrive at the outcome urged by applicant [sic], an additional mental exercise is required, and we are not persuaded on the record before us that the average consumer under ordinary marketing conditions would be likely to make this association.

Id. This is especially true with respect to Petitioners' MAX LIFE trademark which suggests that Petitioners' lubricants provide long lasting protection. The term "Max"

is a shortened form of the word “Maximum” meaning “the greatest quantity or amount possible, assignable, allowable, etc.” or “the highest amount, value, or degree attained or recorded.”¹⁴³ See *Toro Mfg. Corp. v. Kearney-Nat’l Inc.*, 168 USPQ 383, 383 (TTAB 1970) (“While we agree with opposer that ‘PRO’ is an abbreviation for ‘professional’ and that ‘POWER’ is a merely descriptive term as applied to applicant’s goods, such factors do not necessarily lead to a conclusion that applicant’s composite mark [POW-R-PRO] is confusingly similar to either of opposer’s marks [PROFESSIONAL and POWER HANDLE], or a combination thereof.”). Petitioners failed to make the case that consumers will perceive that Respondent’s MAXVOLINE mark is a combination of Petitioners’ VALVOLINE and MAX LIFE trademarks.

We find that the marks are not similar in their entireties in terms of appearance, sound, meaning or commercial impression.

F. Summary of the *du Pont* factors.

We have carefully considered all arguments and evidence properly of record, including any not specifically discussed herein, as they pertain to the relevant likelihood of confusion factors. To the extent that any other *du Pont* factors for which no evidence was presented by Petitioners or Respondent nonetheless may be applicable, we treat them as neutral.

Any of the *du Pont* factors may play a dominant role in our analysis, and in some cases, a single factor is dispositive. *Champagne Louis Roederer S.A. v. Delicato Vineyards*, 148 F.3d 1373, 47 USPQ2d 1459, 1460 (Fed. Cir. 1998) (holding that the

¹⁴³ Dictionary.com based on the RANDOM HOUSE UNABRIDGED DICTIONARY (2019).

Board did not err in deciding likelihood of confusion based solely on dissimilarity of marks, noting that “we have previously upheld Board determinations that one DuPont factor may be dispositive in a likelihood of confusion analysis, especially when that single factor is the dissimilarity of the marks”); *Kellogg Co. v. Pack'em Enters. Inc.*, 951 F.2d 330, 21 USPQ2d 1142, 1145 (Fed. Cir. 1991). We find this to be such a case.

We have found that the parties' goods, customers, and channels of trade are identical; that lubricants for automobiles may be purchased without a great deal of consumer care; and that Petitioners' VALVOLINE mark is afforded a broad scope of protection and their MAX LIFE mark is afforded the normal scope of protection to which inherently distinctive marks are entitled. Nonetheless, on the record before us, we find that Petitioners failed to meet their evidentiary burden to be able to rely on the combination of their VALVOLINE and MAX LIFE trademarks and, in the alternative, that the dissimilarity of the marks in appearance, sound, connotation, and overall commercial impression outweighs the other *du Pont* factors. For those reasons, we find the first *du Pont* factor to be outcome-determinative.

G. Conclusion

Considering the record evidence as a whole, we find that Petitioners have not carried their burden to establish by a preponderance of the evidence that Applicant's MAXVOLINE marks are likely to cause consumer confusion with Petitioners' marks VALVOLINE and MAX LIFE.

VII. Laches

In the event that our finding that there is no likelihood of confusion is reversed on appeal, we turn to Respondent's affirmative defense of laches.

Section 19 of the Trademark Act, 15 U.S.C. § 1069, provides that in "all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, where applicable, may be considered and applied." Laches is an available equitable defense in a cancellation proceeding based upon a likelihood of confusion. *Nat'l Cable Television Ass'n Inc. v. Am. Cinema Editors, Inc.*, 971 F.2d 1572, 19 USPQ2d 1424, 1431 (Fed. Cir. 1991); *Ava Ruha Corp. v. Mother's Nutritional Ctr., Inc.*, 113 USPQ 1575, 1580 (TTAB 2015). "In order to prevail on the affirmative defense of laches, Respondent is required 'to establish that there was undue or unreasonable delay [by Petitioner] in asserting its rights, and prejudice to [Respondent] resulting from the delay.'" *Ava Ruha Corp.*, 113 USPQ2d at 1580 (quoting *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001)); *see also Nat'l Cable Television Ass'n*, 19 USPQ2d at 1431.

A. Undue or unreasonable delay

"We turn first to a calculation of the length of delay between the time when a petitioner first has notice of a defendant and its mark and the time when petitioner files the petition for cancellation." *Ava Ruha Corp.*, 113 USPQ2d at 1580. Petitioner "must be shown to have had actual knowledge or constructive notice of [respondent's] trademark use to establish a date of notice from which delay can be measured." *Id.* "In the absence of actual knowledge [of trademark use] prior to the close of the opposition period, the date of registration is the operative date for laches,' as it

provides constructive notice to petitioner of the registrant's claim of ownership." *Id.* (quoting *Teledyne Tech. Inc. v. Western Skyways Inc.*, 78 USPQ2d 1203, 1210 n.10 (TTAB 2006), *aff'd unpublished opinion*, Appeal Nos. 2006-1366 and 1367 (Fed. Cir. 2006)).

Respondent's registrations issued on June 17, 2008 and June 24, 2008. Petitioners commenced this proceeding on June 6, 2013.¹⁴⁴ However, in a letter dated October 11, 2007, Petitioners' predecessor-in-interest sent Gabriel Pappaterra, Respondent's Principal, Petitioners' demand that Respondent abandon its MAXVOLINE applications on the ground that they are likely to cause confusion with Petitioners' VALVOLINE and MAX LIFE trademarks.¹⁴⁵ On June 10, 2009, Petitioners sent Respondent's counsel another letter demanding that Respondent abandon the registrations.¹⁴⁶ Respondent argues that laches is applicable because Petitioners waited until a few weeks before the five year anniversary of the issuance dates of the MAXVOLINE registrations before filing the Petition for Cancellation even though Petitioners had knowledge of the marks and the registrations prior to their registration.¹⁴⁷ We must consider the reasons for Petitioners' delay.

After learning about Respondent's applications for the MAXVOLINE marks, Petitioners "tried to find out what [Gabriel Pappaterra] was doing."¹⁴⁸ Petitioners did

¹⁴⁴ 1 TTABVUE.

¹⁴⁵ Gabriel Pappaterra Testimony Dep. (5-11-2018), p. 30 and Exhibit 10 (97 TTABVUE 32 and 149).

¹⁴⁶ *Id.* at p. 31 and Exhibit 11 (97 TABVUE 33 and 150).

¹⁴⁷ Respondent's Brief, pp. 11-12 (99 TTABVUE 12-13).

¹⁴⁸ Venne Discovery Dep. (87 TTABVUE 10); *see also* 81 TTABVUE 10.

not believe that Respondent was using the MAXVOLUME marks because “[i]f there was any use, it was diminimus [sic] because we couldn’t find any use.”¹⁴⁹ Petitioners continued to monitor Respondent’s use of the MAXVOLUME marks,¹⁵⁰ but was never able to determine that the marks were in use.¹⁵¹ In addition, between 2007 and 2013, Petitioners were engaged in other enforcement actions against third parties using the VALVOLUME trademark.¹⁵²

Respondent’s sales have been negligible. Respondent earned no income from the sale of MAXVOLUME product from 2007 to 2010.¹⁵³ In fact, Respondent’s first sale was in 2012.¹⁵⁴ Gabriel Pappaterra was unable to testify regarding the Respondent’s sales volume even though he is Respondent’s principal.¹⁵⁵ As we discussed in the analysis of actual confusion, the only third party in the lubricant industry to testify regarding Respondent’s attempt to sell its MAXVOLUME product was Gabriel Herrero, principal of Herrero & Sons Corporation, a wholesaler of automotive accessories, chemicals, and window film, to whom Respondent made a sales pitch.¹⁵⁶ The other third parties are four people who are familiar with Respondent’s principal and who provide

¹⁴⁹ Venne Discovery Dep., p. 8 (81 TABVUE 11).

¹⁵⁰ *Id.* at p. 9 (81 TTABVUE 12).

¹⁵¹ *Id.* at p. 15 (81 TTABVUE 18).

¹⁵² *Id.* at pp. 16-18 (81 TTABVUE 19-21).

¹⁵³ Pappaterra Discovery Dep., p. 43 (79 TTABVUE 46); *see also* Pappaterra Testimony Dep. (March 2, 2018), p. 12 (93 TTABVUE 15) (no sales of MAXVOLUME product as of April 15, 2008).

¹⁵⁴ Pappaterra Testimony Dep. (May 11, 2018), pp. 69 and 90 (97 TTABVUE 71 and 92).

¹⁵⁵ Pappaterra Testimony Dep. (March 2, 2018), p. 54 (93 TTABVUE 57); *see also* Pappaterra Testimony Dep. (May 11, 2018), p. 58 (97 TTABVUE 60).

¹⁵⁶ 91 TTABVUE.

testimony that is conclusionary and without details to support the conclusions. From the third-party testimony, we find that Respondent's use of its MAXVOLUME marks has had a negligible, if any, impact in the lubricant market.

“The defense of laches is not determined by adherence to rigid legal rules; rather, we analyze laches by a consideration of the specific facts and a balancing of the respective interests and equities of the parties, as well as of the general public.” *Kemi Organics, LLC v. Gupta*, 126 USPQ2d 1601, 1612 (TTAB 2018) (quoting *Jansen Enters. Inc. v. Rind*, 85 USPQ2d 1104, 1117 (TTAB 2007)). Taking into account the “respective interests and equities of the parties,” including Respondent's negligible sales and Petitioners' actions against other third parties, we find that Petitioners' delay in seeking cancellation of Respondent's registrations was not unreasonable. See *Kemi Organics, supra*; see also *Cullman Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F. Supp. 96, 13 USPQ2d 1257, 1280 (S.D.N.Y. 1989) (a trademark owner is “not required to constantly monitor every nook and cranny of the entire nation and to fire both barrels of [its] shotgun instantly upon spotting a possible infringer.”). Compare *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1463 (Fed. Cir. 2001) (undue delay found, in part, where there was widespread commercial use of defendant's mark); *Teledyne Tech. Inc. v. Western Skyways Inc.*, 78 USPQ2d at 1210 (3.5 years of use with documentary evidence of sales was sufficient to find undue delay). Petitioners were justified in waiting to see if the MAXVOLUME product would survive, let alone impact the lubricant market before engaging in the time, effort and expense of a cancellation proceeding. Otherwise, the law of laches would require each trademark owner to file

a notice of opposition, petition for cancellation, or trademark infringement action on first notice and ask questions later. Respondent has thus failed to prove its laches defense. For the sake of completeness, however, we will determine whether Respondent showed prejudice resulting from Petitioners' delay.

B. Prejudice

“Laches is ‘principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some change in the condition or relations of the property or the parties.’” *Bridgestone/Firestone Research Inc.*, 58 USPQ2d at 1463 (quoting *Galliher v. Cadwell*, 145 U.S. 368, 373 (1892)). Mere delay in asserting a trademark-related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay. *See Bridgestone/Firestone Research Inc.*, *supra* (citing *Advanced Cardiovascular Sys. v. Scimed Life Sys.*, 988 F.2d 1157, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993)). “Prejudice is generally shown by the fact that in reliance on petitioner’s silence, respondent built up a valuable business and good will around the mark during the time petitioner never objected.” *Alfacell Corp. v. Anticancer Inc.*, 71 USPQ2d 1301, 1307 (TTAB 2004).

Two general categories of prejudice may flow from an unreasonable delay: prejudice at trial due to loss of evidence or memory of witnesses, and economic prejudice based on loss of time or money or foregone opportunity. *See A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 22 USPQ2d 1321, 1328-29 (Fed. Cir. 1992) (en banc). Respondent argues that it suffered both prejudice at trial and economic prejudice.

With respect to prejudice at trial, Respondent argues that because of Petitioners' delay, Gabriel Pappaterra, Respondent's principal, had difficulty at trial remembering the specifics of Respondent's business deals or "to keep the records that show the usage and customer interactions."¹⁵⁷ Respondent also points out that Vernon Venne, former attorney for "Ashland" and former President of Ashland Licensing & Intellectual Property LLC, could not recall why Petitioners failed to file a notice of opposition to Respondent's MAXVOLUME applications.¹⁵⁸ However, Mr. Venne testified that Petitioners were unable to determine whether Respondent was using the MAXVOLUME marks because "[i]f there was any use, it was diminimus [sic] because we couldn't find any use,"¹⁵⁹ and because Petitioners' continued efforts to monitor Respondent's use of the MAXVOLUME marks¹⁶⁰ never revealed that the MAXVOLUME marks were in use.¹⁶¹ As noted above, Respondent's sales have been negligible and its marketing efforts limited to essentially customer visits by Gabriel Pappaterra.¹⁶² The MAXVOLUME business has always been Gabriel Pappaterra.¹⁶³

With the exception of Gabriel Pappaterra's inability to recall how many people to whom he showed the MAXVOLUME label and tried to sell the product¹⁶⁴ and the

¹⁵⁷ Respondent's Brief, pp. 12-13 (99 TTABVUE 13-14).

¹⁵⁸ Respondent's Brief, p. 13 (99 TTABVUE 14) (citing Venne Discovery Dep., p. 8 (81 TTABVUE 11 and 87 TTABVUE 10)).

¹⁵⁹ Venne Discovery Dep., p. 8 (81 TABVUE 11).

¹⁶⁰ *Id.* at p. 9 (81 TTABVUE 12).

¹⁶¹ *Id.* at p. 15 (81 TTABVUE 18).

¹⁶² Pappaterra Discovery Dep., p. 97 (79 TTABVUE 111).

¹⁶³ *Id.* at p. 54 (79 TTABVUE 57); Pappaterra Testimony Dep. (March 2, 2018), p. 77 (93 TTABVUE 80); Pappaterra Testimony Dep. (May 11, 2018), p. 85 (97 TTABVUE 87).

¹⁶⁴ Pappaterra Testimony Dep. (March 2, 2018), p. 46 (93 TTABVUE 49).

extent of Respondent's sales,¹⁶⁵ Mr. Pappaterra was able to clearly testify regarding his business plan, starting the business, marketing product, transferring ownership of the business to his different corporations, the instability of the price of oil in 2007-08 which hindered Respondent's sales efforts, and much more.

Respondent's contention that it was prejudiced at trial because of the difficulty of keeping the records that show the usage and customer interactions rings hollow in light of the documents Respondent introduced during Gabriel Pappaterra's May 11, 2018 testimony deposition.¹⁶⁶ Respondent introduced, inter alia, the Sunpoint International Group USA Project Plan,¹⁶⁷ the October 11, 2007 protest letter from Petitioners' predecessor-in-interest,¹⁶⁸ the June 2009 protest letter from Petitioners,¹⁶⁹ a 2007 receipt for Respondent's website,¹⁷⁰ and emails and invoices dated April 8, 2008 through April 2014.¹⁷¹

Respondent failed to prove that it suffered prejudice at trial.

We now turn to economic prejudice.

Economic prejudice arises when a defendant suffers the loss of monetary investments or incurs damage that likely would have been prevented by an earlier suit. *A.C. Aukerman Co. v. R. L. Chaides Construction Co.*, 960 F.2d 1020, 22 USPQ2d 1321 (Fed. Cir. 1992). A nexus must be shown between the delay in filing suit and the expenditures; the alleged infringer must change his

¹⁶⁵ *Id.* at p. 54 (93 TTABVUE 57).

¹⁶⁶ 97 TTABVUE.

¹⁶⁷ 97 TTABVUE 27 and 117.

¹⁶⁸ 97 TTABVUE 30 and 149.

¹⁶⁹ 97 TTABVUE 31 and 150.

¹⁷⁰ 97 TTABVUE 34 and 153.

¹⁷¹ 97 TTABVUE 35-38 and 154-189.

position because of and as a result of the plaintiff's delay. The essential inquiry is to determine if there was a change in the economic position of the alleged infringer during the period of delay. *State Contracting & Engineering Corp. v. Condotte America, Inc.*, 346 F.3d 1057, 68 USPQ2d 1481 (Fed. Cir. 2003).

Alfacell Corp., 71 USPQ2d at 1307.

Respondent contends that it “moved forward spending money and capital on supplies, labels and marketing for their [sic] products using the marks,”¹⁷² without providing any specifics about the purported detriment it alleges to have suffered because of Petitioners’ delay in filing the petition for cancellation. As previously discussed, Respondent’s sales and promotional efforts have been negligible. In addition, to keep its fixed prices low, Respondent sought private label contracts for MAXVOLUME lubricants which Respondent would fill when customers placed orders. Thus, Respondent had no inventory or warehousing costs.¹⁷³ And, as noted above, Gabriel Pappaterra is, in essence, Respondent, and there is no testimony or evidence about any other expenses that Respondent incurred to grow its business. Finally, we lack any testimony or evidence which sheds light on the effect and success of Respondent’s promotional efforts.

The facts in this proceeding do not support any claim of damage to Respondent arising from Petitioners’ purported inaction so as to estop Petitioners from seeking to cancel Respondent’s MAXVOLUME registrations. In other words, Respondent’s

¹⁷² Respondent’s Brief, p. 13 (99 TTABVUE 14).

¹⁷³ Pappaterra Discovery Dep., pp. 26-27, 29 and 80 (79 TTABVUE 29-30, 32 and 93); Pappaterra Testimony Dep. (March 2, 2018), pp. 17, 28-29, 36, 44-45 (93 TTABVUE 20, 31-32, 39, 47-48).

testimony and evidence does not show how Petitioners' delay in seeking to cancel the MAXVOLINE registrations affected Respondent's investment in, development of, commercial use, and promotion of the MAXVOLINE marks. *See Alfacell Corp.*, 71 USPQ2d at 1308; *Esquire Sportswear Mfg. Co. v. Genesco Inc.*, 141 USPQ 400, 403 (TTAB 1964) ("in view of applicant's diminution of sales and promotion of "SLEEX" garments, the facts in this proceeding cannot support any claim of damage to applicant arising from opposer's supposedly 'inaction so as to estop opposer from objecting to the registration sought by applicant.'"); *John Walker & Sons, Ltd. v. The Am. Tobacco Co.*, 110 USPQ 249, 250-51 (Comr., 1956) (because the record fails to show that applicant invested a substantial amount in its mark or that the business expanded, applicant will not be prejudiced).

Respondent failed to prove that it will suffer economic prejudice.

Because Respondent failed to prove that it will suffer prejudice at trial or economic prejudice, Respondent's affirmative defense of laches fails.

VIII. Abandonment Through Naked Assignment

As discussed above, Petitioners claim that Respondent's MAXVOLINE registrations should be cancelled because "the Registrations at issue were transferred to Respondent were 'naked assignments,' otherwise known as 'transfers in gross,' because the purported assignments of the trademark rights failed to also include an assignment of the goodwill associated with those trademarks."¹⁷⁴ This is an abandonment claim based on an invalid assignment.

¹⁷⁴ Third Amended Petition for Cancellation ¶19 (54 TTABVUE 8).

The issue before us is the effect of the written assignments that fail to include the goodwill associated with the MAXVOLINE marks. An invalid assignment can only be “abandonment” under federal law if the invalid assignment “causes the mark ... to lose its significance as a mark.” Section 45 of the Trademark Act, 15 U.S.C. § 1127. Whether an invalid assignment is an abandonment of the mark depends upon the circumstances surrounding the purported transfer and use of the mark by Respondent. *Roush Bakery Prods. v. F.R. Lepage Bakery, Inc.*, 13 USPQ2d at 1051; *see also Sterling Brewers, Inc. v. Schenley Indus., Inc.*, 441 F.2d 675, 169 USPQ 590, 593 (CCPA 1971) (“the determination of abandonment is peculiarly dependent on the facts of each particular situation and remarks in prior opinions are of little help.”).

The assignments of Respondent’s MAXVOLINE marks in this case were not invalid. Gabriel Pappaterra transferred all the property rights from his sole proprietorship to his wholly-owned corporation Sunpoint International Group, Inc. and then from Sunpoint International Group, Inc. to his wholly-owned corporation Sunpoint International Group USA Corp. At all times, Mr. Pappaterra was the head of the companies and he interacted with the customers.¹⁷⁵

- Q. The only asset referred there [the two assignments] is the Valvoline [sic] trademark, correct?
- A. Again, I’m not an expert in trademark, but it’s been me all the time since the beginning, and I pass all the assets and whatever is included from one to another.

¹⁷⁵ Pappaterra Testimony Dep. (May 11, 2018), pp. 11-13 (97 TTABVUE 13-15).

Q. Okay. What - - what documents do you have showing the transfer of any assets from the British Virgin Islands entity to the U.S. entity?

* * *

Q. Is there any document transferring assets from the British Virgin Island corporation?

A. I mean, it wasn't necessary. It was myself. Any - - I didn't need that formality within my companies.¹⁷⁶

* * *

Q. And that's when you transferred as an individual to Sunpoint British Virgin Islands [the 2008 assignment]?

A. That is correct. I transferred all of the assets of, and that's the only document that I have.¹⁷⁷

* * *

A. Because we made a mistake, we didn't put all of the assets and all of the - -

Q. Fair enough.

A. - - when it was.¹⁷⁸

* * *

A. So the bottom line is that I - - I transfer from me to the other company and then to the other company. It was me all the time, and here are the transfer of documents, and the corrections.¹⁷⁹

¹⁷⁶ Pappaterra Testimony Dep. (May 11, 2018), pp. 81-82 (97 TTABVUE 83-84).

¹⁷⁷ *Id.* at p. 83 (97 TTABVUE 85).

¹⁷⁸ *Id.* at p. 84 (97 TTABVUE 86); *see also* Pappaterra Testimony Dep. (March 2, 2018), p. 67 (93 TTABVUE 70) (although the assignments refer only to the trademark, "but really everything referred to the trademark, like marketing, knowledge, et cetera, customers, documents, everything was transferred.").

¹⁷⁹ *Id.* at p. 85 (97 TTABVUE 87); *see also* Pappaterra Discovery Dep., p. 54 (79 TTABVUE 57) (the MAXVOLUME business, "it's always been me.").

* * *

Q. You were the hundred percent owner [of Sunpoint International Group, Inc. and Sunpoint International Group USA Corp.], correct?

A. Correct.

Q. You were the manager, correct?

A. Correct.

Q. You were the face of those companies?

A. Correct.

Q. When you transferred the assets from you personally to Sunpoint British Virgin Islands, you transferred everything, correct?

A. Correct.

Q. When you transferred from Sunpoint British Islands to Sunpoint USA you transferred everything?

A. Correct.¹⁸⁰

As the MAXVOLUME trademarks passed from Gabriel Pappaterra to Sunpoint International Group, Inc. to Sunpoint International Group USA Corp., there was a continuity of goodwill from the same, single continuing commercial enterprise albeit in different forms. At all times, the marks were used on the same products by essentially the same source. The marks never lost their significance as trademarks and always symbolized the same source. And, the goodwill associated with the marks were, in fact, transferred although specific reference to the transfer of the goodwill was omitted from the assignment documents.

¹⁸⁰ Pappaterra Testimony Dep. (March 2, 2018), pp. 77-78 (93 TTABVue 80-81).

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Petitioners' abandonment claim based on an invalid assignment or assignment in gross is dismissed.

Decision:

The Petition to Cancel Respondent's registrations is granted on the claim that Respondent failed to use its marks at the time Respondent filed its Statements of Use and by the expiration of the time for filing its Statements of Use.